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Amsterdam... 8.00 F. Hungary... 1.30 P. Oman... 1.000 Rials... 11.20 F.F. Iceland... 175 KR. Poland... 25,000 ZL... 26 S. Yen... 115 FRB. Portugal... 210 Esc... 0.800 DM. Russia... 185 R. Saudi Arabia... 8.000 SR... 2,000 L.P. Singapore... 2.000 S. S. Dollar... 1.000... 11.20 F.F. Taiwan... 200 N.T.S. Thailand... 20 Baht... 1.000... 11.20 F.F. Turkey... 2.000 Lira... 1.000... 11.20 F.F. U.S. Dollar... 1.000... 11.20 F.F. West Germany... 1.000... 11.20 F.F. Yugoslavia... 1.000... 11.20 F.F. Zaire... 1.000... 11.20 F.F.

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ESTABLISHED 1887

Sears Cuts Stores, Jobs And Even the Catalogue The U.S. Retailer's Big Book Succumbs To Competition From Shopping Malls

By Lawrence Malkin International Herald Tribune NEW YORK — Another icon of American business shattered Monday. Sears Roebuck & Co. said it would close 113 retail stores, eliminate 50,000 jobs, and stop publishing the legendary Sears catalogue, which for more than a century has brought the fruits of American prosperity to thousands of prairie towns. Competition from shopping malls and discount stores, coupled with a torpid response by Sears' own management, forced a retreat to the company's core retail business, which analysts predicted would now prosper. The stock market agreed, marking up Sears' stock, which jumped \$1.75 to close Monday at \$50.625 a share. Restructuring costs and operating losses for last year's fourth quarter were estimated by analysts at \$3.9 billion after taxes, ranking Sears alongside other shrinking corporate dinosaurs such as General Motors and IBM — with which Sears happens to be a partner in a \$2 billion information services business that makes no profit. Chairman Edward A. Brennan, who has been harried by dissident stockholders angry at the poor performance of a company which has been spread thin, said at Sears headquarters in Chicago that the closings announced Monday were the "culmination of a major overhaul" and that he foresaw no further write-downs. Sears has already gotten rid of its Dean Witter brokerage offices, sold part of its Allstate insurance subsidiary, and announced plans to dispose of its Discover credit card and Coldwell Banker real estate chain as it abandoned the typical corporate expansion of the 1980s into a merchandising empire offering middle-class consumers everything from home appliances to investment advice. The company said Monday it would shut down most of its catalogue operations, which lost \$135 to \$175 million annually in each of the last three years despite revenues of about \$3.3 billion. Sears now distributes three main catalogues to 14 million households, and plans to produce specialty catalogues instead. Niche catalogues have been the growth leaders in the mail-order business for more than a decade, just as in retailing itself, said Maxwell Stroege, a Chicago catalogue consultant. But he added that "Sears went on continuing to distribute millions of dull-looking big, fat books, while Land's End, J. Crew and others were outmarketing them with stylish, targeted specialty catalogues." Most of the stores being closed are marginal catalogue outlets selling close-out merchandise, Sears said. They account for most of the 50,000 lost jobs, of which only 16,000 are full-time and the rest part-time, mainly workers in the catalogue stores. The Sears work force now numbers 470,000, down almost 50,000 from 1990, when middle-management cuts began. The cost of the latest cuts and the streamlining efforts in Sears' real estate and other businesses was put at \$1.7 billion, which the company estimated would save \$300 million annually starting next year. The catalogue write-down cost \$800 million. But Janet Mangano of Burnham Securities estimated the total losses for the quarter would be closer to \$3.9 billion because of operating losses of about \$135 million, accounting charges of \$1.9 billion for employee health and pension costs, and real estate write-downs. She hailed this as a "decisive and rational program" See SEARS, Page 16



MOIST PROTOCOL — Aides hold umbrellas Monday to shield President Richard von Weizsäcker of Germany, second from left, as he welcomed President Rafael Angel Calderón Fournier of Costa Rica to Bonn in heavy rains, which swept Western Europe.

Hungary Backs Autonomy For Its Magyar Neighbors Alarmed, East Europe Sees Provocation

By Stephen Engelberg with Judith Ingram New York Times Service BUDAPEST — Adding a potentially explosive element to a region already riven by ethnic conflicts and economic hardship, Hungary is promoting autonomy for the 3 million ethnic Hungarians who live in neighboring countries. The Hungarians outside of Hungary form the largest single minority in Europe, aside from Russians in former Soviet republics, and emerging nationalist movements in Romania, Serbia, and Slovakia have made them targets of verbal and physical attacks. Some Hungarians in the former Yugoslavia have been driven from their homes by the Serbian "ethnic cleansing," and about 20,000 have taken refuge in Hungary. In Slovakia and Romania, fears of ethnic Hungarians have been fanned by what they say are virulent campaigns in the local press. Some Hungarian officials warn that these incidents could set off the next major ethnic conflict in Europe, where the fall of communism has already unleashed destructive nationalist passions in the former Yugoslavia and Soviet Union. The Hungarian leadership insists it does not even have contingency plans for military action, but acknowledges that more radical politicians in Hungary are pressing for more forceful measures. The government's solution — the advocacy of substantial local autonomy — has been greeted with alarm by Hungary's neighbors, who see it as a provocative first step toward dismemberment of their countries. Few in this region have forgotten or forgiven Hungary's conduct in World War II, when Budapest joined the Nazi side in a futile attempt to regain territories lost at the end of World War I. Ceza Entz, the senior Hungarian official responsible for relations with Hungarian minorities abroad, said the choice was between autonomy and civil strife. "The longer the Romanians and Slovaks and others are unresponsive to this, the deeper the political crisis will grow," Mr. Entz said. "If these people are incapable of changing their views, their whole way of thinking on these questions, this will sustain a system of violence, further economic decline, killing of people, massacres — from ethnic cleansing to certain kinds of persecution — and it will force people to leave the country, leading to an uncontrolled migration within the region and out of the region. These are the alternatives." What most worries the Hungarians in Slovakia and Romania is that the troubled economies in these two countries will slip further into recession and they will be blamed by nationalist politicians eager to avoid responsibility. Political leaders in Hungary, Romania, and Slovakia showed a serious potential for misunderstandings. What is viewed in Budapest as eminently reasonable behavior is criticized by even moderates in Bucharest and Bratislava, the Slovak capital, as the tip of a shadowy conspiracy to restore Hungary to some semblance of its pre-World War II borders, when it commanded two-thirds more territory than it does today. "I see a certain strategy to create a precedent" See ETHNIC, Page 6

Mrs. Clinton to Head Health Task Force

Compiled by Our Staff From Dispatches WASHINGTON — President Bill Clinton named his wife, Hillary, on Monday to head a national health care task force, promising that his team would work "day and night" to solve one of the most pressing national problems. Mrs. Clinton previously served on the board of Arkansas Children's Hospital in Little Rock, Arkansas. And an education task force she chaired in 1983 was credited with having built a consensus on changes that became the cornerstone of Mr. Clinton's tenure as governor. Traditionally, the wives of presidents confine themselves to social activities and good causes, although some have wielded influence behind the scenes. Mr. Clinton said that Americans would soon learn "that we have a first lady of many talents." Mr. Clinton said he had selected his wife to chair the President's Task Force on National Health Reform because "she's better at organizing and leading people from a complex beginning to a certain end" than anybody he has known. Mrs. Clinton will not draw a salary. The task force includes the health and human services secretary, Donna E. Shalala, and the secretaries of the Treasury and the Commerce, Defense and Veterans' Affairs departments, as well as the head of the Office of Management and Budget. Mr. Clinton instructed it to prepare a legislative package to send to Congress in 100 days, as he promised during the campaign. That would be around May 1. He said it would meet in a "war room" in the Old Executive Office Building. "We are going to work constantly day and night until we have a health care plan ready for the Congress," Mr. Clinton said. Mr. Clinton said the task force would work to provide health care in the inner-cities, to deal with the AIDS crisis, and to address other, as See HEALTH, Page 3

An Explosion of AIDS in Latin America

By James Brooke New York Times Service RIO DE JANEIRO — Flourishing amid sexual promiscuity, hypocrisy, and haphazard prevention, Latin America's AIDS epidemic is prompting growing alarm. Much of the growth comes from rising infection rates among Latin American women, which doctors attribute to a propensity for homosexual and heterosexual affairs by men and a traditional reluctance to discuss these with their wives. While much of the world's concern about AIDS has focused on Africa, Asia, and the United States, the rising number of infections in Latin America is focusing attention on this region as well. Six years ago, fewer than 8,000 AIDS cases had been recorded in the region. Today, the number is approaching 60,000, and estimates of cases are even higher. "We are going to see something of biblical proportions," said Mauro Schechter, director of an AIDS program at a university hospital here. "These biblical tragedies wiped out large portions of populations." In Brazil, a growing number of women infected with the AIDS virus has pushed the number of infected people to roughly 1 million, according to some AIDS researchers, in a population of 150 million. By contrast, the United States, with 255 million people, has about the same number of infected people. Mexico, the third most populous nation in the Americas with 85 million people, has an estimated 225,000 people infected with the virus and perhaps as many as 500,000, according to government officials and private researchers. In Colombia, an estimated 200,000 people carry the virus out of a total population of 33 million, the Health Ministry announced last month. So far, more than 5,000 people have developed the disease. But private groups warn that by the end of this decade 1 million Colombians could be infected. Argentina, which has a slightly smaller population than Colombia, has about half as many infected people, an estimated 100,000. Officially, 2,754 Argentines have developed the disease, but the real number may be twice as high, said See AIDS, Page 6

Kiosk Gunman Kills 2 at CIA Headquarters

A gunman on Monday fired on cars entering the grounds of the Central Intelligence Agency in McLean, Virginia, killing two people and wounding three before escaping, according to the police. Officers said that four cars were hit by gunfire as they waited to make a left turn into the main driveway of the heavily guarded compound. The gunman fled and a police manhunt was mounted in the wooded area. Hospital officials said that two persons were in critical condition and the third was in stable condition. (Page 6) No reconsideration for death-row inmate, U.S. rules. Page 3. Business/Finance U.S. bonds surged, pulling stocks with them, while the dollar fell. Page 13. The Japanese government resists a tax cut. Page 17. Crossword Page 20. Weather Page 20.

Pentagon Chief Is 'Belligerent,' Iraq Charges

Compiled by Our Staff From Dispatches BAGHDAD — Iraq's deputy prime minister, Tariq Aziz, said Monday that his country sought no confrontation with the United States but was not happy so far with the stance of the new U.S. administration. "We do not want to be in continuous confrontation with the United States of America," Mr. Aziz said in an interview with CNN. "If the new administration shows any willingness to have a new relationship," he said, that would be "very much welcome." "There should be a new style in which people could talk in a civilized manner to discuss the issues," he added. In Washington, the White House spokesman, George Stephanopoulos, was asked to respond to Mr. Aziz's remarks. Mr. Stephanopoulos held to the hard-line stance against Iraq begun by George Bush, saying that Baghdad must comply with UN cease-fire terms. "We need full compliance with all UN resolutions," he said. "That is America's policy." Mr. Aziz said the main problem between Iraq and the Bush administration was that Mr. Bush had personalized the confrontation and wanted to see the Iraqi government toppled. "This should not be the objective of the new administration," he said. "It is illegal, it is futile and it simply didn't work in the past." Mr. Aziz said that President Bill Clinton's defense secretary, Les Aspin, had made "an arrogant and belligerent response" to the Iraqi initiative of offering a unilateral cease-fire to end a wave of allied air raids and missile strikes. Mr. Aspin said on Sunday, "I personally believe Saddam Hussein has to go." The Iraqi See IRAQ, Page 6

But on Second Bite, America Finds Itself at Home in a Steak House

By Michael Janofsky New York Times Service WASHINGTON — The general manager reported that Dan Quayle had eaten in his restaurant, and so had George Bush as vice president. Senator Alfonse M. D'Amato, Republican of New York, is a regular, he said, as is James Carville, the Clinton campaign strategist. John Norris was not necessarily name-dropping. Morton's steak restaurant, in Georgetown, has long been a magnet to Washington's leading political figures. But when Richard L. Willey of Hurlock, Maryland, turned up recently to negotiate a man-steak variety, appeared to be news of, well, the man-steak variety. Mr. Willey is a vice president of the Perdue Company, the poultry producer. "It was not something I do on a regular basis," said Mr. Willey, who eats his share of chicken. "But when I'm in Washington or Chicago or New York, and I want to treat myself, I'll go for a steak. It's the flavor. I still enjoy the flavor." Mr. Willey is part of a growing culture in the United States: people who eat expensive steaks despite a sluggish economy and continued warnings by health officials to reduce the intake of foods high in cholesterol — like red meat. If anything, as hard times have forced more people to eat less meat at home, a steak dinner out has become more of a special occasion, as it was for Mr. Willey. As a result, restaurants that specialize in steak have bucked the trends of stagnant growth in the industry and the steady decline of beef consumption in the United States for more than 15 years. For instance, since it bought Morton's in 1989, the Quantum Restaurant Group Inc. has doubled the number of units, to 20, and the gross revenues, to \$42.7 million. Quantum's president, Allen J. Bernstein, whose plan is to position Morton's as "the Tiffany and Four Seasons of steak restaurants," said the company planned to open nine more outlets this year to generate revenues he projected would reach \$65.7 million by 1994. While gross sales of traditional eating places, defined as all but fast-food outlets, have increased by no more than 1.5 percent in any of the last five years, according to Technomic Inc., a restaurant industry consulting firm, steak sales have remained healthy. The trend seems especially true for steak restaurants with moderate-to-expensive prices, where steak meals can account for as much as 85 percent of all main courses. Ralph Giardina, president of Ruth's Chris restaurants, said that sales last year increased in all but two of 34 units, with an overall growth of 8 percent in gross sales. In Beverly Hills, California — "the health capital of the world," in Mr. Giardina's phrase — gross sales increased by 15 percent in 1992 over 1990. A fire had closed the restaurant for three months in 1991. Other signs of steak-restaurant strength: Amy Rubenstein, treasurer of the venerable Peter Luger Steak House, a high-end restaurant in Brooklyn, said she detected "no downturn" from the industry boom years of the 1980s. "We're almost at capacity all the time," she said. Outback Restaurants, a chain of moderately priced steak houses with a sort of Crocodile Dundee motif, opened See NOT SO RARE, Page 6

FIRST 100 DAYS / 'A LOT OF OPTIONS'

Clinton Defers Decisions on Deficit and Attorney General

Compiled by Our Staff From Dispatches WASHINGTON — President Bill Clinton said Monday that "a lot of options" remained on ways to trim the deficit and that he had made no final decision on a broad-based energy tax...

And a day after Mr. Bentsen, in a television interview, floated the idea of a national consumption tax, most likely one on energy. Mr. Clinton praised Mr. Bentsen for doing "a very good job on television" and did not back away from the notion of a tax.

Mr. Clinton made it clear in advance of his meeting with the Joint Chiefs that he was sticking by his pledge — made during the campaign — to allow homosexual men and women into the military.

"We want to end discrimination against homosexuals in the military," Mr. Stephanopoulos said. But he said Mr. Clinton also wanted "to maintain order and discipline in the military."

WASHINGTON — Dismayed by the collapse of the lengthy Iran-contra investigation, many in Congress say they are reluctant to begin a major inquiry into another foreign policy morass: whether the Bush administration covertly armed Iraq before the Gulf War...

POLITICAL NOTES

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Upswing, Under Clinton, in the Cake and Red Carpet Trade

By Martha M. Hamilton Washington Post Service WASHINGTON — The ruffles and flourishes added up. The 5,000 petit fours iced by hand to resemble tiny American flags, at 70 cents apiece...

swearing-in ceremony ever, according to the Washington Convention and Visitors Association and the Greater Washington Board of Trade.

"It was a good way to start the new year," said Ed Woods, president and chief executive of Ridgeview's Caterer in Bethesda, Maryland.

guration contributed to the area economy does not include revenue from the sale of souvenirs, and tickets sold by the inaugural committee.

U.S. Study Sees Arms Cuts as Way To Add Jobs

By Martin Tolchin New York Times Service WASHINGTON — A shift of \$3 billion from the defense industry to state and local governments would create a net increase of more than 12,000 jobs, according to a government study issued Monday.

Behind the Pageant, Big Deals From Big Business

By Michael Weisskopf and Charles R. Babcock Washington Post Service WASHINGTON — The film "Sleepless in Seattle" is not scheduled for release until this summer, but when TriStar Pictures was asked by President Bill Clinton's inaugural committee to advertise on the televised gala last week, the unusually long lead time did not seem to matter.

Organizers solicited Time Warner Inc., through its chief Washington lobbyist, to produce a video and photography book of inaugural highlights. The publishing-entertainment giant agreed to perform both jobs for over \$1 million, with all profits going to the inaugural committee.

According to Paul Schulman, a network television buyer in New York, the CBS rate was "an incredible bargain" extended as "an accommodation" to the Clinton team.

Chelsea Clinton joining classmates on the soccer field. Chelsea Clinton, 12, was escorted by her mother, Hillary Rodham Clinton, for her first day of classes at the private Sidwell Friends School.



Chelsea Clinton joining classmates on the soccer field.

Chelsea Clinton Gives a Lesson to the Press

WASHINGTON — Chelsea Clinton slipped quietly into school on Monday, avoiding the reporters and cameras that have followed the first family's every move since her father won the presidency.

L.A. Times' Staffers Snap Up Buyouts

By Howard Kurtz Washington Post Service WASHINGTON — Battered by the Southern California recession, the Los Angeles Times hoped to trim 500 jobs by offering lucrative buyouts to its staff. But insiders say more than 800 people have signed more, including 100 newspaper staffers, nearly 10 percent of the editorial staff and four times as many as management had expected at the largest U.S. metropolitan daily newspaper.

Some staffers say morale has been hurt in the aftermath of the Los Angeles riots, which prompted affirmative action efforts that exacerbated racial strains at the paper.

category," said Mr. Toth. 64. "I have other things to do." Paul Conrad, three-time Pulitzer Prize winner and political cartoonist for the Los Angeles Times since 1964, will retire from the newspaper on March 31, the paper said.

Court Curbs Appeals on Death Row

By Linda Greenhouse New York Times Service WASHINGTON — The Supreme Court ruled Monday that a state death row inmate who presents belated evidence of innocence is not ordinarily entitled to a new hearing in Federal court before being executed.

Bush Team Adjusts to Life on the Outside

WASHINGTON — A week ago, they were making decisions that changed the world. Now top Bush administration officials are settling into new digs from Harvard to Hollywood.

Quote/Unquote

Roger Clinton, referring to his brother, Bill: "I think he's now in a position to find out if Elvis is really dead or not."

Away From Politics

- The Reverend Jesse L. Jackson said he was detained by Haitian soldiers — and thought he might be shot — during a weekend fact-finding trip to Haiti. Mr. Jackson said that soldiers interrogated his group in the city of Leogane and held the visitors against their will.

HEALTH: Hillary Clinton's Role

(Continued from page 1) unmet needs of America's \$340 billion health system, the world's costliest. He said there would be "tough choices" to bring costs under control and provide coverage for all.

Motorola Denies Cellular Phone Risk

The Associated Press NEW YORK — Motorola Inc. denied claims Monday that cellular telephones posed health risks. Edward Staiano, president of the division that makes cellular phones, said that studies by Motorola and independent researchers indicated "no existence of health risks from use of cellular telephones."

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Ivan Is Making Progress

In the great struggle over the rebuilding of Russia's economy, the reformers are still winning more rounds than they lose. But amid the turmoil of a country going through a genuine if bloodless revolution, the uncertainties remain enormous.

Angola on the Brink

Problem No. 429 for Bill Clinton. Angola is Problem No. 1 for José Eduardo dos Santos and Jonas Savimbi. It is often that way around the world. Imbalance is built in.

Like the Woman She Was

Audrey Hepburn, who died last Wednesday, was a charming actress and an impassioned ambassador for the UN Children's Fund. But a lot of women, and more than a few men, remember her best for the way she looked.

Let the Patient Be Boss

Last Wednesday a man named Jack Miller dropped his hand, thereby pulling a clip off the plastic tubing that connected a canister of carbon monoxide to a mask over his face.

month, close to the point at which money becomes meaningless. Not many countries have succeeded in maintaining orderly government in the midst of hyperinflation.

have no firm view about. Enough weaponry and distrust are on hand to raise the horrifying possibility of a full-scale return to arms.

to their first glimpse of Audrey Hepburn, in "Roman Holiday," half a generation of young females stopped stuffing their bras and teetering on stiletto heels.

all they need to know to make their own decisions about their care.

Other Comment Behind the Croatian Attack Only the naive are surprised that the war continues in Bosnia-Herzegovina and that a Croatian attack has taken place while peace negotiations are going on.

The United Nations' Colors Won't Always Be Available

By Brian Beedham

LONDON — Many people have come to assume that if there is something awkward to be done in the world, it can be done by slipping one's hand into the comforting palm of the United Nations.

Those who do not wish to abandon the world to its fate will sometimes have to reply: Very well, we will do it alone.

pressed by Russia and France were throat-clearing, not outright denunciations; and their doubts were anyway about the methods used, not about the desirability of keeping Saddam Hussein under control.

It could happen over Bosnia. ("Russia says no to further action against Serbs.") It could happen in the next clash with Saddam Hussein. ("China backs Arab protesters.")

For a moment, when communism collapsed, people thought the world was one again. It was not. New divisions are appearing, and old ones are reappearing.

The GATT Headache Needs Emergency Treatment

By Robert J. Samuelson

WASHINGTON — On Dec. 18, George Bush, John Major and Jacques Delors stood on the White House lawn and pledged to complete the Uruguay Round of global trade talks by mid-January.

Yes, Quite an Encounter

By Karl E. Meyer

NEW YORK — It may be some consolation to George Bush that another popular idol experienced a steeper fall from grace in 1992.

ports totaled \$3.1 trillion, about 15 percent of global economic output.

cities just south of America. Once a kingdom, it became a republic in which property was held in common and the general good permeated every institution.

America is the world's largest exporting nation. The drop in the dollar's exchange rate since the mid-1980s has reinvigorated U.S. exports.

GATT represents self-discipline, but to survive, the organization needs a periodic renewal of political commitment.

to work through the United Nations on notice. It will sometimes be no good going to the United Nations. They may have to do it themselves, or see it left undone.

Danger Signals on the U.S.-Japan Line

By Jim Hoagland

WASHINGTON — A curious idea is percolating along the Pacific Rim as America returns from the hiatus of election and transition to the business of world leadership.

China has been widely expected to be the flashpoint in Asia for the new Clinton administration. Conventional wisdom predicts trouble there.

Mr. Satoh, a senior diplomat who presents the views as his own, lists "three worries" in Japan stirred by the Clinton campaign: promises of trade retaliation and taxation on foreign firms, and the possibility that "U.S.-China relations could be strained under the pressure of Clinton's policy to promote human rights."

With GATT negotiations stalled, the law giving the president special negotiating authority will probably expire without an agreement.

1893: Massing of Troops ST. PETERSBURG — Unusual activity is noticeable in the War Office. In spite of severe frosts, the massing of troops in the Western Government continues without interruption.

1918: Japan's Warning TOKYO — During the opening sitting of the Japanese Parliament today (Jan. 24) important statements were made by the Premier: "The turn taken by events in Russia is now our most serious preoccupation."

1943: U.S. in Tunisia LONDON — [From our New York edition] A rail by American troops to within striking distance of Field Marshal Erwin Rommel's line of retreat along the Gulf of Gabes in Tunisia and rapid progress in Tripoli was being fought by French columns seeking to hit his flank were disclosed today (Jan. 25) as the bulk of the remaining Afrika Korps poured into Tunisia for a possible rendezvous with the Axis forces of Colonel General Jürgen von Arnim.



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OPINION

Iraqgate: Ignore the Pleas to Just Move On

By William Safire

WASHINGTON — The scandal called Iraqgate began, I am told, with a personal request in early 1989 from a foreign head of state to President George Bush on a matter requiring the assistance of Iraqi President Saddam Hussein.

An Italian state-owned bank was the conduit for these U.S.-guaranteed billions. When the FBI raided the bank's Atlanta office and found that corruption was rank in this deal, the Italians worried that they might be left holding the bag.

Justice was aware of the planned approach.)

The contact was made, reported the ambassador, now working for a U.S. law firm, who has never been interrogated by the FBI about it.

Attorney General Dick Thornburgh, now in a United Nations sinecure, reportedly claims to remember nothing about the meeting.

But consider the stakes at that moment. If the Justice Department believed that the bank headquarters in Rome were aware of the corrupt Iraqi financing, the United States might not have to make good on its guarantee.

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Foley should get together on a joint congressional investigation — one that will not burden the future independent counsel with immunity grants to witnesses.

Finally, President Bill Clinton should, as he promised, direct his new attorney general — as experienced, we can hope, as Robert Morgenthau — to seek the nonpartisan outside counsel.

A frisson of doubt about Mr. Clinton's commitment to cleanup can be spotted in a small New York Times story the other day: James "Jock" Covey is expected to be appointed an assistant secretary of defense.

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Elegance With an Elf Inside

By John Williams

NEW YORK — Audrey Hepburn was a wonderful woman. Like most young men in the '50s and early '60s, I was enchanted by her elfin mischief in "Roman Holiday."



AUDREY HEPBURN AND FRIENDS IN ETHIOPIA IN 1988. United photo by John Williams.

Once, in a hotel lobby, she inadvertently sat on my sun hat. She stood, jammed the crushed results onto her head, and pretended to be me, producing hilarity among all.

She never complained — not in beautiful Italianate Asmara, then under siege, where the hotel had no water, nor of the grueling schedule, the unpaved tracks and the late aircraft.

For me, her most endearing quality was her lack of pomp. More than once, in New York and elsewhere, I saw her step — somehow, always politely — around a line of dignitaries gathered to greet her.

The writer is secretary of the Unicef Executive Board. He contributed this comment to the International Herald Tribune.

LETTERS TO THE EDITOR

Saddam and Bush

The Iraqi press rejoiced over the end of the Bush presidency, maintaining that Saddam Hussein's continuance in power while a defeated George Bush was relinquishing power to Bill Clinton constituted an Iraqi victory.

The Cost of a Party

The 25 million corporate dollars donated ("invested" would probably be a better word) to Bill Clinton's inaugural party would have bought a lot of rice for Somalia.

DOUGLAS T. WALTERS, Toulouse, France.

Foley Would Come First

As a Virginian who lives adjacent to Monticello, and a law professor at Thomas Jefferson's university, I enjoyed your "Quote/Unquote" (Jan. 19), in which President Bill Clinton told students that if Jefferson were alive today, he (Mr. Clinton) would appoint him secretary of state.

While Mr. Clinton's comments were gracious, the scenario he suggests would leave the republic in the hands of Tom Foley. The speaker of the House and the president pro tempore of the Senate come before the secretary of state in the list of presidential successors.

RICHARD B. LILLICH, Heidelberg, Germany.

Saddam and Slobodan

Saddam Hussein moves a few useless anti-aircraft guns around and the West attacks. Slobodan Milosevic orders the slaughter of thousands and the West appeases.

DAN McCOURT, Paris.

A Currency Campaign?

I cannot understand why there has been such a relentless campaign against the franco-Deutsche mark parity in order, apparently, to break down the last pillar of the European Monetary System.

JEAN-PIERRE BRUNET, Paris.

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Every year on February 14th, more and more people use the Trib's classified section to send a greeting to the Valentine of their choice and some of them get pretty creative.

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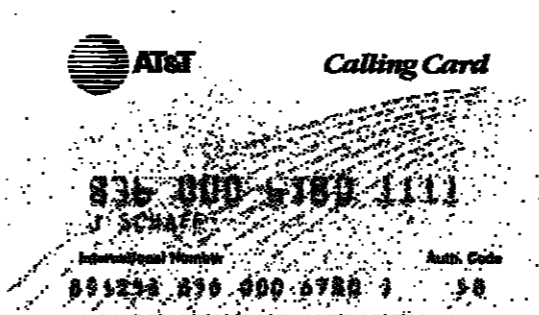
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2 Killed at CIA Headquarters Gunman Also Wounds 3, Then Eludes Police

Compiled by Our Staff From Dispatches

MCLEAN, Virginia — A gunman opened fire Monday on cars entering the grounds of the Central Intelligence Agency, killing two persons and wounding three before escaping, the police and witnesses said.

Officers said that four north-bound cars were hit by gunfire as they waited to make a left turn into the main driveway of the heavily guarded compound.

The gunman then fled. A police manhunt was mounted in the wooded area.

"He was just shooting at everything," said a man who witnessed the shooting from a commuter bus. "He looked like he wanted to kill somebody — he shot everywhere."

Hospital officials said that two persons were in critical condition and the third in stable condition.

Senator Robert C. Smith, Republican of New Hampshire, was among the witnesses.

"He was just systematically walking down and shooting in the cars," Mr. Smith said. "There was no emotion that I saw. He looked at me, but my car and the others in the lane we were in were moving, and I think he decided to take the sitting

cars rather than the moving targets.

"Once he shot the people who were in the front cars, the others couldn't move, and he simply walked down the line."

The driveway where the shootings occurred leads to a tollbooth-like main gate where people are screened before being allowed into the CIA grounds.

A spokeswoman for the Fairfax County police said that the gunman emerged "walking against traffic shooting into the vehicles" at about 5 A.M.

Hours later, the two dead people were still slumped in their cars near the gate.

The police described the gunman as a white male with brown hair, 5 feet, 10 inches (1.78 meters), in a dark jacket and pants, and carrying a rifle. Witnesses said the gunman may have been wielding a semiautomatic weapon, possibly an AK-47.

A CIA spokesman confirmed that some of the dead and wounded were CIA employees, but it was not known how many. The agency had no immediate comment.

It was not known whether the shooting had any connection with the CIA or its employees. The agency's top officials do not use the main gate.

The gunman was standing between two rows of cars waiting in turning lanes and shooting down into the vehicles, said a witness, Gilbert Robinson.

"As I was approaching in my car, I heard a pop-pop sound and looked to the left and saw an agitated individual turning to the left and right shooting into cars," Mr. Robinson said. "It was surreal. It looked like something you'd see out of a dream scene."

The police said the gunman sped toward Washington, 10 miles (15 kilometers) north, in a light brown compact station wagon, although it was not clear if he was alone or others were inside the vehicle.

The main gates onto the CIA grounds are usually open during the morning and afternoon as employees arrive and leave work. Private guards employed by the agency check workers' passes and require visitors to stop and identify themselves.

The compound is surrounded by a high mesh fence; the main building is about 500 yards from the main gate. The agency headquarters are surrounded by affluent suburban homes. About 15,000 people work in the compound.

(AP, Reuters)

IRAQ: Upset With Aspin

(Continued from page 1)

statement made by Secretary Aspin. Secretary Aspin's statement was wrong."

Asked about Iraq's claim to Kuwait and its territorial ambitions there, Mr. Aziz replied: "The chapter on Kuwait is closed." When pressed, he declined to elaborate.

Iraq invaded Kuwait in August 1990 and annexed the Gulf state until its armies were routed by U.S.-led forces the following year.

Mr. Aziz said the Iraqi offer not to shoot at Western planes flying over the south and north had no fixed time limit, and that Baghdad was giving Washington at least several months to reconsider its policy toward his country.

Iraq asserts that the no-flight zones, established to protect Shiites in the south and Kurds in the north, are illegal.

As UN weapons inspectors started a new operation Monday, Iraq said that it had provided the United Nations with 90 percent of the names of its foreign suppliers, according to the head of the UN nuclear-weapons team.

The destruction of weapons stockpiles resumed north of Baghdad and a team of ballistics experts also arrived.

Maurizio Zifferero, the head of an eight-member team of nuclear specialists, said his mission would focus on confirming that the Iraqis had disclosed the names of all suppliers for its nuclear program.

"The Iraqis said that we have already been supplied with 90 percent," said Mr. Zifferero, an Italian with the International Atomic Energy Agency.

Mr. Zifferero's team arrived in Baghdad from Bahrain along with seven ballistics-weapons experts led by a Russian, Nikita Smidovich.

Also on Monday, 25 chemical-weapons experts resumed destruction of weapons at a facility at the Al Muthanna site, 130 kilometers (80 miles) northwest of Baghdad.

(Reuters, AFP, AP)



A COMEBACK FOR HAVEL? — A group of Prague residents rallying in support of Vaclav Havel, the former president of Czechoslovakia, who is a candidate for president of the newly formed Czech Republic, which goes to the polls on Tuesday.

ETHNIC: Budapest Backing Autonomy for Hungarians in Other States

(Continued from page 1)

in Slovakia, and then present it to Europe," said Frantisek Miklosko, a senior member of the Christian-Democratic party in Slovakia, which has cast itself as the less-nationalistic opposition to the government of Prime Minister Vladimir Meciar. "That precedent would be autonomous, and this is impossible."

One example of the gulf in sensibilities that divides Hungary and the surrounding countries is Prime Minister Jozsef Antall's assertion that he is the prime minister of 15 million Hungarians. Only 10.4 million people live in Hungary.

A potentially dangerous dynamic has developed between Hungary and its neighbors in which remarks from one country echo through the politics of the other.

Last year, the Hungarian defense minister, Lajos Fur, declared in an interview that his country's security policies took into account

Hungarians living outside its borders. The comment was seized on by Gheorghe Funar, a stridently anti-Hungarian politician, who used it to win his electoral campaign for the mayoralty of the ethnically-mixed Romanian city of Cluj.

Mr. Funar has since banned conferences involving Hungarians, and has tried to prohibit Hungarian-language signs identifying streets, schools, and other institutions in a city that is about 25 percent Hungarian.

The increasing pressure against ethnic Hungarians has also had its effect on domestic politics in Hungary, giving rise to a new generation of nationalist politicians campaigning for a more confrontational approach.

At his party's national congress last weekend, Mr. Antall, who has brought this country three years of stability unmatched in Central Europe, faced his greatest political challenge yet from Istvan Csurka, an opponent who openly advo-

ces Hungarian "living space." This is a literal translation of the German word "Lebensraum," which was used by Hitler to justify his conquest of Eastern Europe, and its use inspires fear here even today. Mr. Csurka has never spelled out exactly what steps should be taken, and government officials say that there are few sensible alternatives.

"We could start a war against three of seven of our neighbors," said Erno Raffay, the deputy defense minister, "but that would be ridiculous."

Both Mr. Antall, a centrist, and Mr. Csurka, a rightist leader, emerged from the congress claiming victory. While Mr. Antall prevented the party from splitting, Mr. Csurka and his strongest supporters garnered one-quarter of the seats in the party's 20-member ruling presidium. They can be expected to exert more populist pressure as the next general elections, scheduled for next year, approach.

NOT SO RARE: Americans Find Steaks Well Done

(Continued from page 1)

its first restaurant five years ago in Tampa, Florida, and now has 86. "We anticipate opening our 100th restaurant this year," said Bob Basham, the company president.

But growth and expansion can saturate any market, and restaur-

ants are especially vulnerable to the whims of fashion and change. Ten years ago, low-end steak outlets like Bonanza and Ponderosa were highly popular, and so was steak on the menus of many family-style restaurants. More recently, seafood restaurants were in favor. Then tastes changed.

"To respond, family restaurants began revamping their menus to reemphasize meat as consumer eating habits shifted," said Ron Paul, an analyst with Technomic. "There was a time Red Lobster was going gangbusters. Now, seafood restaurants are not doing so well. There is a cycle, and consumers will always seek variety."

For now, a juicy steak is hot, and the rationale is hardly a surprise, said Lionel Tiger, a professor of anthropology at Rutgers University who specializes in the evolution of human behavior and fails to see why the pattern of growth should not continue.

Citing "the importance of meat in human dietary evolution," he cited habits developed more than 10,000 years ago as genetic and sociological reasons that humans crave red meat. He saw little difference between a caveman sharing food with his tribe after a hunt and

a modern wedding party where steak tartare might be served.

"It provides us an opportunity for celebration," Mr. Tiger said of meat eating. "That's one of the things we really like as a species. In our culture, having meat is a sign we're doing well. Even though it's not supposed to be good for us, we seek more and more public certification for how good our lives are, and one way is to go to a steak house."

Anthropological explanations aside, the success of pricier U.S. steak restaurants has also evolved amid what could easily be interpreted as hostile conditions for growth. Those include not only concerns over heart disease and a pinched economy, but also fewer families in which the mother or wife stays home and cooks.

Typically, baby-boomers like Mr. Willey, 42, of Perdue, and Mr. Bernstein, 47, of Quantum, recall childhoods in which they ate meat for dinner most days of the week.

As a result, restaurant steak dinners reminiscent of those days, served with salad, baked potato and gooey dessert, have taken on psychological aspects that make them enticing for nostalgic reasons to some but mystical to others, including those with weight problems or dubious cardiovascular profiles.

AIDS: The Rising Rate of Infected Women Is Helping to Fuel Latin America's Epidemic

(Continued from page 1)

Dr. Marcelo del Castillo of the Hospital de Clinicas in Buenos Aires.

Estimates of infection rates and numbers of recorded AIDS cases in Argentina and throughout the region often vary because most Latin American countries have not conducted detailed surveys. AIDS workers in most countries tend to give higher estimates of infection rates and cases than Health Ministry officials.

"As in the rest of Latin America, 30 to 50 percent of the patients who have developed the disease are not

reported," Dr. del Castillo said of Argentina.

With many of Brazil's infectious recent, doctors say the true size of Brazil's epidemic will soon graphically clear later this decade when patients start flooding hospitals. In São Paulo state, the number of people dying of AIDS quadrupled in four years, rising from 1,067 in 1987 to 4,134 in 1991.

"The difference in sero-positive populations" — people infected with the virus that causes AIDS — "is not that great between the United States and Brazil," said Richard G. Parker, an American anthropologist who directs an AIDS information group here. "But compared to the United States, much more of Brazil's iceberg is under the water."

Outside of Africa, Brazil ranks second in AIDS cases — with 33,938 — after the United States, which has recorded more than 242,000 cases.

Epidemiologists say that because the epidemic is older in the United States more virus carriers have developed the disease. In Brazil, where the epidemic is newer, health officials fear a surge of cases.

Young and often widowed, women who gather weekly for mu-

tual support at a central Rio clinic are the new faces of the epidemic.

"Married women always think that they are safe," said Ana Viera Barbosa, whose husband died of AIDS. "Then I discovered my husband was not only injecting drugs, he was bisexual."

Indeed, hidden bisexual activity by Latin American men has provided a bridge for the epidemic to enter the female population.

In Mexico, the share of AIDS patients who are women increased during the last eight years from less than 1 percent to 16 percent, according to the National Institute

for Epidemiological Diagnosis and Reference. According to Mexico's National Council for the Prevention and Control of AIDS, almost 20 percent of men infected with AIDS attribute their infection to heterosexual sex.

"But when a lot of those cases are investigated, they are indeed homosexual or bisexual men," said Dr. Carlos del Rio, the council's director. Overall, the number of recorded AIDS cases in Mexico has soared from 245 through 1986 to 11,034 through 1992, according to the Pan American Health Organization.

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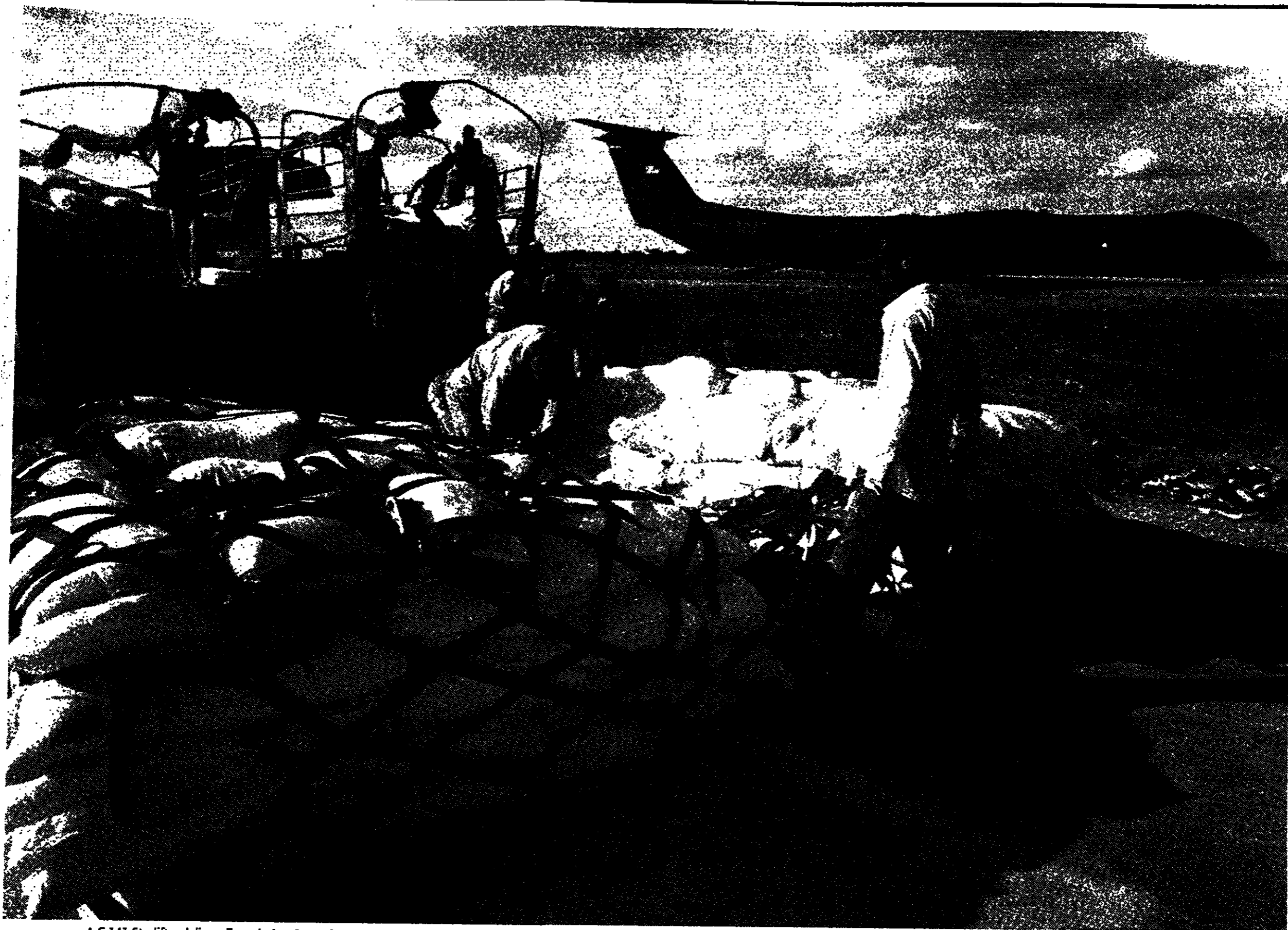
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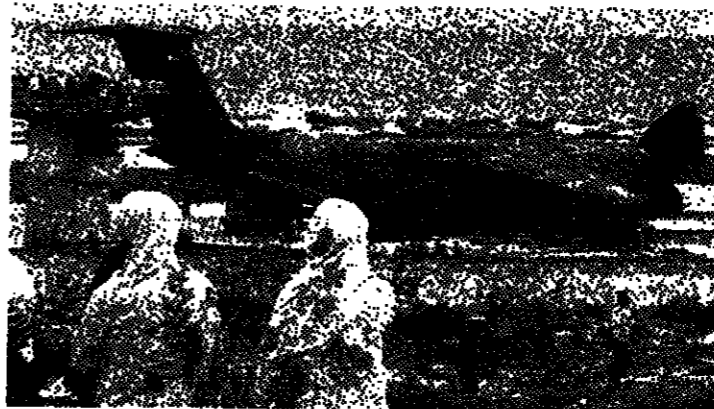
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The C-5 Galaxy, shown off-loading front and rear in Mogadishu.

Lockheed leads.



Locked in Their Glory Days

By Suzy Menkes
 International Herald Tribune

PARIS — Picture the scene at Dior: center front are a princess and a baroness dressed like identical twins in flannel pants, tweed jackets, fine jewelry and well-brushed marmalade hair. On the runway is Gianfranco Ferré's goddess balanced on a plinth of high-heeled sandals, her pleated dress rising like a rigid marble column topped with a sculpted chignon. Is anyone's life quite that grand?

"Well, I liked the pants suit," said Princess Michael of Kent, who is a firm Ferré fan and was wearing an outfit from his own-label collection. Marie-Hélène de Rothschild declined to comment.

Ferré's couture shows for Dior are a mystery. Just 10 days ago in Milan he sent out a menswear collection that was dynamic in its energy, dramatic in its presentation, filled with body-conscious virility and a sense of refined modern luxury. The Dior show, which got a frigid reception, was the opposite. Perhaps there is female flesh behind the carapace of pleated blouse,

backers, Seibu-Saison in partnership with Hermès. Scherrer was at the Dior show, but could not comment on the situation, which is in the hands of his lawyers.

If you want the glory days of haute couture, Mortensen did a grand job of recreating the stiff-necked, hold-that-pose elegance circa 1955. Evening dresses were sculpted seamlessly to the body, a chiffon drape here and a gust of embroidery there. A collar would take a swallow-dive down the backbone; or flying buttresses of fabric would appear from nowhere. Hair was strictly up in a chignon. And even when a tailored jacket went over black lace Bermuda shorts, the effect was haughty rather than naughty.

Monique Lang, wife of Jack Lang, France's minister of culture and education, gasped at the marvels of pleating, draping and shaping. Here too there was no sign of a female body behind the fabric, even when that was just summer-wispy of chiffon.

"It's glamour — the only couture school I know," said Mortensen, trained at the right hand of Pierre Balmain. He was visibly moved as he received accolades for a show that was remarkably well crafted and finished, especially since he had just five weeks at the house. *Le tout Paris* gave him an ovation.

Nina Ricci had much the same audience, plus Prime Minister Pierre Bérégovoy and his wife, Gilberte, wearing a violet brocade jacket in readiness for the cocktail party that followed the show as evening clothes followed day. Designer Gérard Pipart served up the new look for establishment ladies.

Help! What shall we do about hemlines? Soothingly soft pajama pants under a tastefully long jacket. A little dress for a summer functions? Well, Madame might like to try the new longer length — a midcalf shirtwaister dress in a slither of bright striped silk. But I've lost my waist! Then put on a floating duster coat and go with the flow. Evening dresses were pretty and pleasing as Pipart follows faithfully the graceful glamour first established in the 1930s by Italian-born Nina Ricci, the subject of a fine new book published in Paris by Editions du Regard.

At Guy Laroche, Angelo Tarlazzi should have been in his element, for the Italian designer has a way with soft silks and scarf dresses that are the feel of fashion now. Although he based his daytime silhouette on tunics over soft pants and made simple, simple, slim-line long dresses, Tarlazzi often seemed too determined to show off the skills of a fine couture atelier.

So transparency is in vogue, but who needs a fishing net of a dress in original cutouts? Why get François Lesage to work embroideries of signed basu holes on a white dress when any careless cigarette smoker could do it for you? Tarlazzi's theme was the ocean, and there was a seashore freshness to surf-white crepe, tunics and pants in shanting the color of golden sand and to the oyster-shell or sea urchin embroideries on fluid chiffon dresses.

PARIS FASHION

leather bustier and firm, if classy, tailoring. A barred leg did suddenly emerge from a vast striped djellaba — useful if traveling to the desert with a steamer trunk and planning to pitch camp on arrival.

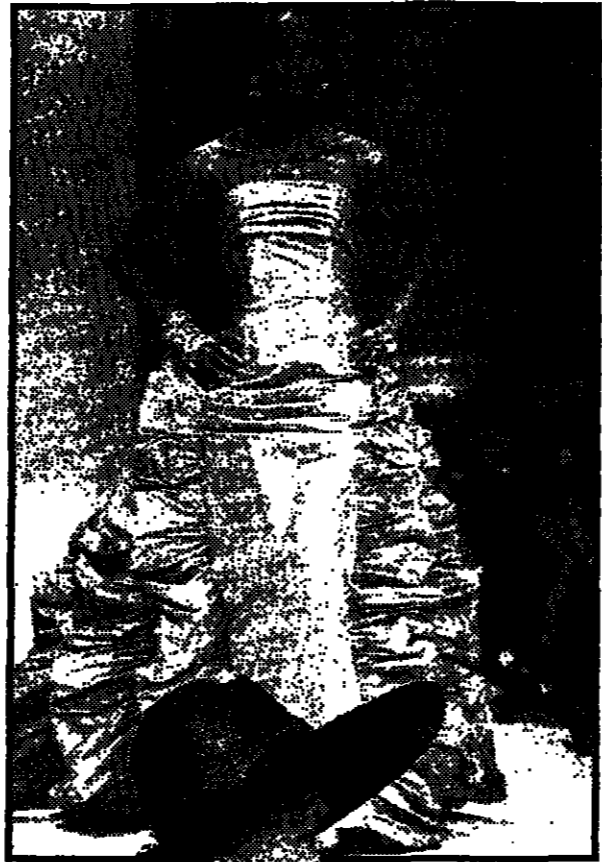
Ferré had softened up the tailoring, giving a feminine puff to a sleeve, a flare to his usually narrow pants and a curve to the long jackets. But nothing seemed soft. The pleats, which were a theme, looked stiff as a meringue balanced on the bosom or whipped up over the hips under an inoffensive suit. Raffa, that in Christian Lacroix's show Sunday had seemed magical couture handwork, here looked like a cane chair had been chopped up to make picture hats, bodices and even mesh gloves.

In theory, Ferré had the right ideas. The beige, coral, sunset-to-sunrise colors were subtle — although he has done them before. Ferré said he was inspired by neoclassical and the sculptures of Antonio Canova, and by Africa. But such themes need to be digested by the creative juices, not presented as a few leaves fluttering on a mousy silk dress or a pleated column of midcalf skirt that was Ferré's way to longer hemlines.

Missing from the show were Ferré's strengths in ready-to-wear: a breezy, sporty freshness and an architectural vision. After four years and eight shows for Dior, the conclusion is that Ferré will never be a great couture designer, although he has built up a clientele for the superbly crafted suits and for elaborate evening wear. His genial personality and his professionalism make him an excellent marketing tool for Dior. Bernard Arnault, sitting center-front with his wife, Hélène, probably cares much more about the commercial potential than the fact that Dior couture is an artistic flop.

The Paris old guard seem fixated on the idea of a grand, gilded world that is out of touch with modern times. Or maybe they are just preparing for the comeback of the monarchy, now that floral tributes are piled up in the Place de la Concorde, in memory of Louis XVI — the king who lost his head and his crown.

At Jean-Louis Scherrer, it was a case of "The king is dead! Long live the king!" as Erik Mortensen revived couture for the ancien régime. He replaced the house's founder-designer who was thrown out by his financial



Clockwise from top left: Scherrer's salmon pink sheath dress with a cascade of pleated ruffles, designed by Erik Mortensen. Dior's dark-brown cocktail dress with raffia bodice, tufted organza leaves and pleated bird-tail at back, designed by Gianfranco Ferré. Pierre Cardin's fluttering chiffon handkerchief-point dress patterned with grapes. Nina Ricci's airy mesh midcalf dress and straw hat, designed by Gérard Pipart.

PIERRE Cardin was celebrating his first collection since he was honored as a member of the Beaux-Arts Academy, taking his place under the neoclassical cupola in a dark green uniform and with a modernistic sword, both designed by himself. Although Cardin's fashion spirit is an eternal search for the avant garde, his collection had blown with the prevailing winds, offering bell-bottom pants to go with bright sculpted jackets and a flutter of chiffon shirt under a car coat with crenellated hemline. He had also gone for longer skirts, mostly split front and back.

Cardin now plans to show only once a year, skipping the July season, which may set a trend.

STYLE MAKERS

'Georgette Factor' MASS-MARKET MAKEUP

New York Times Service

NEW YORK — In a television studio on the West Side, video cameras and monitors surrounded a set that had the look of a chic laboratory, with beakers filled with colored liquid. A 46-year-old woman with her hair in rollers, wearing no makeup and a baggy black sweater over zebra-striped leggings, emerged from the crowd of camera operators and technicians.

"Hello," she said to a visitor. "I'm Georgette Mosbacher."

It is rare to get such an unedited glimpse of a woman who controls her image so carefully that she has had her eyebrows tattooed on and learned to color her own hair red so she will never be caught with tell-tale roots, a woman whose couture wardrobe and social visibility led Newsweek to wonder how the "Georgette factor" would affect George Bush's re-election campaign, as her husband, Robert A. Mosbacher Sr., was its chairman.

But in the studio she was all business, explaining in a throaty voice that she was about to pitch her new cosmetics line, Exclusives by Georgette Mosbacher, in one of

those 30-minute commercials otherwise known as infomercials. Good-bye, Neiman-Marcus. Hello, telemarketing.

This is the new Georgette Mosbacher, reinvented for a new era. The high-living '80s have given way to the Democratic '90s, and both

line of makeup products packaged with a how-to video, all for less than \$100, is a more populist concept, marketed through cable television.

It seems a savvy idea and perfectly timed, yet there are those who question whether the Mos-

bacher image will play to the masses.

The Exclusives infomercial is a classic for a genre that has taken pastel hues and mind-numbing earnestness to new heights.

It is his populist buttons, too, with a money-back guarantee and an impassioned speech from Mosbacher about how the company was "created by women for women."

A staunch anti-Clinton Republican who describes herself as "pretty far to the right," Mosbacher has taken lots of flak from feminists.

In April, she wrote an op-ed article for *The New York Times* in which she asked: "Can a feminist love great clothes and wonderful shoes? Is she any less a feminist if

she has a perfect manicure? Are feminists credentials only good if a woman dresses down, wears no makeup and hates to shop?"

The letters to the editor that followed answered mostly in the pejorative.

Her humble beginnings are a frequent theme. She tells how, as the oldest of four children in an Indiana family, she was raised by a widowed mother and a grandmother, and how she worked her way through college and has seldom stopped working since, even during her three marriages, all to wealthy older men.

In 1988, she acquired La Prairie with a consortium of private backers and none of Mosbacher's money. La Prairie is a Swiss beauty company whose products were based on sheep placenta cells. She and a silent partner have invested \$3 million in the new company. Producing the infomercial alone cost \$700,000.

One day recently Mosbacher and company executives gathered in the New York office to review the infomercial. Lenny Lieberman, the director, was on the speakerphone, calling from San Francisco.

Only once did Mosbacher show a trace of insecurity. "Should I have taken acting lessons, Lenny?" His response: "You command a certain presence."

"I'm sticking my neck out on this," she said. "Only two in 10 infomercials work. It's a real gamble. But if it doesn't work, it doesn't mean I've failed. I don't have it tied to my self-esteem."

"I'm lucky I'm married to a wealthy, successful, generous man, but I'm not dependent on him. I have my earning power, my own ability to maintain my life by myself. And that's true liberation. The sooner women figure that out, the better."

Mosbacher has written a self-help book for women, to be published in June by Simon & Schuster. It is titled "The Feminine Force: Release the Power Within to Create the Life You Deserve."

Anne-Marie Schiro

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U.S. Helicopters And Belgian Troops Rout Somali Force

By Keith Richburg
Washington Post Service

MOGADISHU, Somalia — U.S. forces stepped directly into the middle of Somalia's civil war for the first time Monday, as American helicopter gunships backed up Belgian paratroopers on the ground to battle the guerrilla army of a Somali warlord who was threatening to attack the southern port of Kismayo.

Monday's battle — the most serious direct clash yet between foreign forces and one of Somalia's armed clan factions — came amid reports of a deteriorating security situation in Kismayo, where in recent days at least six Belgian troops have been injured in 10 separate grenade attacks. The Belgians have killed three Somalis in bloody shoot-outs and some foreign relief workers said they were evacuating expatriate staffers from the city and scaling back the number of relief flights there because of the escalating violence.

Much of the hostility in Kismayo appears to be directed against foreigners, including aid workers and the U.S. Army soldiers and Belgian paratroopers who are on the ground trying to establish order. Earlier this month, the Kismayo representative of the United Nations Children's Fund, UNICEF,

was assassinated, and last weekend, hundreds of Kismayo residents staged a protest against the intervention by foreign troops.

Unlike the generally warm reception the foreign soldiers have received in other Somali towns, the U.S. and Belgian troops in Kismayo have been pelted with rocks and greeted with chants of "Out, Out!" according to recent visitors and foreign aid workers. Marine Colonel Fred Peck, the U.S. military spokesman, said, "Obviously the situation is worse now than it was a week ago," but, still speaking of Kismayo, he said he knew of no reason for the recent upsurge in attacks against foreign troops and expatriates.

Monday's battle took place just northwest of the city, where the guerrilla army loyal to the former Somali dictator, Mohammed Siad Barre, appeared poised to launch an offensive against Kismayo despite repeated American warnings.

In the six weeks of the American-led intervention, U.S. officials have refused to intervene in Somalia's clan wars, for fear of having to choose sides and becoming entangled in historic feuds.

U.S. military officials in the Somali capital said four American helicopters firing rockets and machine guns destroyed six "technicals," the Somali name for four-wheel-drive vehicles mounted with anti-aircraft or heavy machine guns, as well as an armored vehicle and a rocket launcher.

The helicopters provided air cover for a squadron of Belgian paratroopers who battled the ill-equipped Somali militia for more than an hour on the ground.

The officials said none of the foreign troops was injured in the encounter.

Following their usual practice, the U.S. officials gave no estimate of Somali casualties. But figures from the International Committee of the Red Cross, based on the number of patients received at the Kismayo hospital, indicated that as many as 40 Somalis may have been wounded.

General Mohammed Said Hersi Morgan, the warlord who is the son-in-law of the country's deposed dictator, had been threatening for months to seize Kismayo from a rival warlord, Colonel Omar Jess.

Colonel Jess is loosely allied with Somalia's leading warlord, General Mohammed Farrah Aidid, and since the arrival of U.S. troops last month, both Colonel Jess and General Aidid have agreed to move many of their young soldiers, and much of their heavy weapons, into camps under U.S. control.

The U.S. military commander in charge of Kismayo had tried to arrange a meeting with General Morgan, and U.S. officials said they had been in contact with him by radio at least twice. They said they had tried to persuade him to call off his assault and to withdraw his troops to a point at least 30 kilometers from Kismayo.

U.S. officials said they ordered the attack on General Morgan's forces to begin at 10 A.M. after the warlord ignored their warnings to retreat. "They were warned yesterday to break contact and to pull back," said Colonel Peck. "They were warned again this morning."

In other engagements between foreign troops and Somalis over the past day, two Somalis were wounded by French troops after firing on a French mine-clearing vehicle in Hoddur town, and two more Somalis were wounded Sunday night by Italian troops after five Somalis drove through a checkpoint in North Mogadishu and jumped out of their car firing automatic rifles.

Rabin Expresses Pessimism on Mideast Talks, Citing Format

By Clyde Haberman
New York Times Service

JERUSALEM — Prime Minister Yitzhak Rabin criticized the basic format of the Middle East peace talks on Monday as "not a successful one," but said it would be "a waste of time" for Israel to try changing it. Israel has never reached agreements "when it negotiated with more than one Arab party," the prime minister told senior government officials at a meeting in the Negev.

Under the peace-talks formula, accepted by the previous Likud government in October 1991, Israel has negotiated simulta-

neously with separate delegations representing Palestinians in the occupied territories and Syria, Jordan and Lebanon.

In addition, on a separate "multilateral" track, Israel, Arab states and countries outside the Middle East have met periodically over the last year to discuss regional issues like arms control, refugees problems and water resources.

When he and his Labor Party took office in July, Mr. Rabin predicted that within nine months to a year his government and the Palestinian team would work out a deal for an interim form of Palestinian self-rule in the West Bank and Gaza Strip. Six months later, the meter is running hard,

and his chances of meeting that deadline seem increasingly slim. The prime minister said progress with the Palestinians was uncertain because they "do not have a consolidated leadership."

Rabin aides insisted that his dour assessment of the basic format did not mean that he was resigned to failure. It was not the first time that he had expressed his displeasure with the existing arrangements, they said, adding that Mr. Rabin was simply saying that he would have preferred a different structure for the talks.

"He's been saying that this formula makes it like an international conference," said Gad Ben-Ari, the prime minister's spokesman. For years, Israel has resisted anything that smacks of an international conference on the territories it holds, arguing that it would be overwhelmed by Arab states and their supporters, with its security seriously compromised in the process.

Even as Mr. Rabin spoke, other Israeli officials sounded more upbeat notes, especially on the prospects for progress with Syria. Israel has offered to give up parts of the Golan Heights, captured from the Syrians in the 1967 war, in return for a full peace that, Mr. Rabin's words, "stands on its own two legs." While Syria has said that it wants peace, it has not spelled out what it

means to the Israelis' satisfaction, and, besides, it insists on getting back all of the Golan.

But Shimon Peres, the Israeli foreign minister, said that recent statements by President Hafez Assad of Syria suggest that he is heading closer to peace.

"Whoever knows Assad's style had to be impressed by the optimistic color in the Syrians' cheeks," Mr. Peres said. "I think there is movement among them."

Itamar Rabinovitch, Israel's chief negotiator in the talks with Syria, was quoted in the press as predicting "a takeoff in the peace talks," probably in April or May.

Pretoria Probes Site For Bodies

By Bill Keller
New York Times Service

JOHANNESBURG — Authorities deployed arc lights and earthmovers Monday night in excavating a farm where a former policeman said anti-apartheid activists had been beaten to death and buried by the police.

Johnny Mokaleng told the Sowetan newspaper he was present when four detainees were beaten, tortured with electric prods and buried in October 1988 on the farm, near Rustenburg, 130 miles (80 miles) northwest of Johannesburg.

Mr. Mokaleng, who repeated his allegations to the police Monday, estimated that as many as 20 victims were buried at the site. On the night he was there, Mr. Mokaleng said, police officers had a barbecue and drank beer and brandy while a team of detainees dug the graves. One of the victims, he said, was still breathing when he was dropped in.

President Frederik W. de Klerk dispatched two police generals to investigate the claims.

Reporters and independent observers assembled to watch the excavation, which was delayed late into the night because the site proved to be inside the black homeland of Bophuthatswana.

A spokesman said the police were skeptical of the former constable's charges, "but on the other side, it could be true — and we could be sitting on something too terrible to contemplate." Mr. Mokaleng said he recognized the name of one victim, Stanza Bopape, a 28-year-old anti-apartheid campaigner detained by police in 1988 and not seen since. The police said he had escaped from three officers while wearing handcuffs and leg irons.

If bodies are found, they would lend credence to allegations that the police often tortured and murdered suspects in custody — allegations that Mr. de Klerk's top police officials have treated dismissively.

The case also touches at least one member of Mr. de Klerk's inner circle, Adriaan Vlok, who as minister of law and order supported the police version of Mr. Bopape's purported escape and refused to identify the officers involved. Mr. Vlok is now the minister in charge of prisons.

Turkish Leader in Kuwait

REUTERS
KUWAIT — Prime Minister Suleyman Demirel of Turkey arrived here Monday on the start of a Gulf tour that diplomats said was aimed at promoting trade.

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Aid to Kurds: Enough for Subsistence, Not Enough for Economic Independence

By Jonathan C. Randal
Washington Post Service

ARBIL, Iraq — Hundreds of trucks loaded with international relief supplies are rolling into Iraqi Kurdistan from Turkey to try to save the Kurds from another winter of starvation and freezing.

But even while relief agencies are paving their food convoys with good intentions, accelerating a longer-term problem: the eventual collapse of Kurdistan's crumbling infrastructure.

The deterioration of Kurdistan's roads — plus the lack of spare parts for shut-down factories, crippled power plants, transformers,

bulldozers, tractors, trucks and cars — underlines the limited scope of aid from the United Nations, the United States and the European Community.

Beyond providing emergency aid to sustain the Kurds through the winter, these donors are reluctant to offer help that could further the Iraqi Kurds' "independence by stealth," as some Western diplomats call their present autonomous status, for fear of upsetting neighboring Turkey, Iran and Syria, all with restive Kurdish minorities.

Initially wary of any contact with Kurds, the Bush administration gradually came to see them as the most organized element in a united opposition that had pledged to keep Iraq

together as a democratic, pluralistic state. But although the other members of the Iraqi opposition seem to have acquiesced in the possibility that the Kurds' present autonomous status could be a prelude to a break from Iraq, the neighboring states and the Western allies suspicious of Kurdish independence.

Thus, nearly two years after Iraqi Kurds answered President George Bush's call to overthrow Saddam Hussein — and then had to be rescued when their rebellion collapsed and 2 million fled to the mountainous borders — the Kurds are not receiving aid that would permit their economic independence.

As the Kurds see it, the United States and its major allies are facilitating Mr. Saddam's slow

strangulation of the 3.4 million Iraqi Kurds living outside his reach in northern Iraq.

The Kurds argue that Baghdad's 15-month blockade against Kurdistan aimed at depriving the Kurds of food and fuel is more biting because of the coalition allies' indecision about whether to provide the Iraqi opposition, including the Kurds, with money, weapons and military backing to get rid of Mr. Saddam.

Their economic problems were partly obscured last year by political events. Iraqi Kurdistan held its first free elections and established a parliament and government for the autonomous region. The Iraqi Kurds fought a month-long war against Turkish Kurdish guerrillas to stop them from using Iraqi territory to stage

raids into Turkey. And the Kurds were host to an Iraqi opposition summit conference.

But now their autonomous government's revenue, raised mainly by taxing trucks crossing the Turkish border, has dropped by two-thirds to \$40,000 a day.

The Kurdish government may, in fact, have trouble paying its 200,000 employees their monthly salary of \$10.

One minister confided that "no actual work is going on in my ministry or many others because we have no money."

The seven-month government of the Kurdish autonomous zone has been asking that UN sanctions against Iraq, which apply to Kurdi-

stan, as well, be lifted in cases that would be of benefit to the Kurds.

Its requests vary from a \$10 million project to produce and refine enough oil to satisfy the autonomous zone's needs to \$20,000 to import a sunflower press to produce edible oil and reduce reliance on foreign relief.

Shortages of fertilizer, pesticides and diesel fuel frustrate Kurdish efforts to restore their food self-sufficiency, which Mr. Saddam ended in 1988 as punishment for their rebelliousness during his eight-year war with Iran.

For most Kurds, especially those in towns and cities, conditions are so bad that one leading politician said he could "not remember such poverty since World War II."

In Kuwait Once Again, U.S. Troops Ask Why There's Another Hitch

By Chris Hedges
New York Times Service

KUWAIT — When Captain Michael P. Maughan, 39, left Kuwait after the Gulf War two years ago, he thought he had seen the last of the flat desert wasteland he had called home for six months.

But the company commander from Eugene, Oregon, is again putting 120 men through live-fire exercises and training maneuvers 40 kilometers (25 miles) from hostile Iraqi troops to the north.

"I had no idea that I would ever come back," he said, as a Bradley M-2A2 Infantry Fighting Vehicle rattled off 25mm shells at an abandoned Iraqi tank on the horizon. "I thought that after Desert Storm, that was it."

It wasn't. And many in the 1,100-man task force, which was hastily dispatched to Kuwait after a recent resurgence of tensions with Iraq, now believe that President George Bush called for an end to the 1991 hostilities too soon.

"I think most of us can see that we should have taken care of it before," Private Eric J. Friberg said. "Hindsight is always 20-20."

The exercises are part of a 10-year defense pact with Kuwait. Kuwait, an oil-producing nation with one of the highest standards of living in the world, was invaded by Iraqi forces in August 1990. The United States sent a half-million troops to Saudi Arabia, and, with soldiers from allies that included France, Britain, Egypt and Syria, swiftly drove Iraqi troops from the tiny emirate in a ground offensive in February 1991.

On Feb. 28, Mr. Bush ordered a halt to coalition attacks on Iraqi troops, who by then were retreating through southern Iraq. The Iraqi Army was able to escape with thousands of armored vehicles, heavy weapons and aircraft. Many of their finest units, some of Republican Guard troops, left in the rear during the fighting, were unscathed.

After using his surviving firepower to put down rebellions by the Kurdish minority in the north and Shiite Muslim rebels in the south, President Saddam Hussein began to challenge the West in a series of cease-fire violations that led to the recent spate of attacks by allied warplanes and missiles.

Once again U.S. soldiers, albeit in much smaller numbers, are suffering from the tedium and harshness of the desert, wondering if they will have to go into battle. Once again Mr. Saddam bellows about Kuwait's being part of Iraq and belittles his Western critics. And once again allied warplanes and missiles batter Iraqi positions and shoot down Iraqi aircraft not far from where U.S. soldiers are encamped.

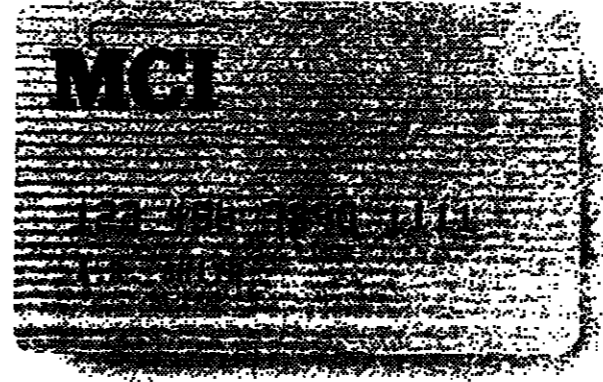
Captain Maughan said he was surprised when he was first sent back to Kuwait in September. He was even more surprised when a little more than two weeks ago, after he left Kuwait for the second time, he was ordered to pack up and return.

For the members of Company A, 9th Infantry, 1st Cavalry Division, there are ample reminders of the scale of the Gulf conflict. Hundreds of Iraqi 130mm artillery pieces, their brown snouts pointed at varying angles toward the powder-blue desert sky, cover acres of sand in storage compounds. In other parts of the desert, the gutted remains of heavy trucks and jeep and even private cars lie in a jumble of twisted metal. And the ground is still covered with shell casings, fragments of discarded equipment and old green ammunition boxes.

U.S. officials say the Americans were deployed in Kuwait on an open-ended and unscheduled training mission as part of Washington's commitment to the security of its allies in the Gulf.

But to many soldiers gunning their vehicles through the desert, the decision in 1991 to let Iraqi troops and tank columns flee to safety, saluted at the time as a humanitarian gesture, appears foolish. It means that the war they once thought they had won is not over.

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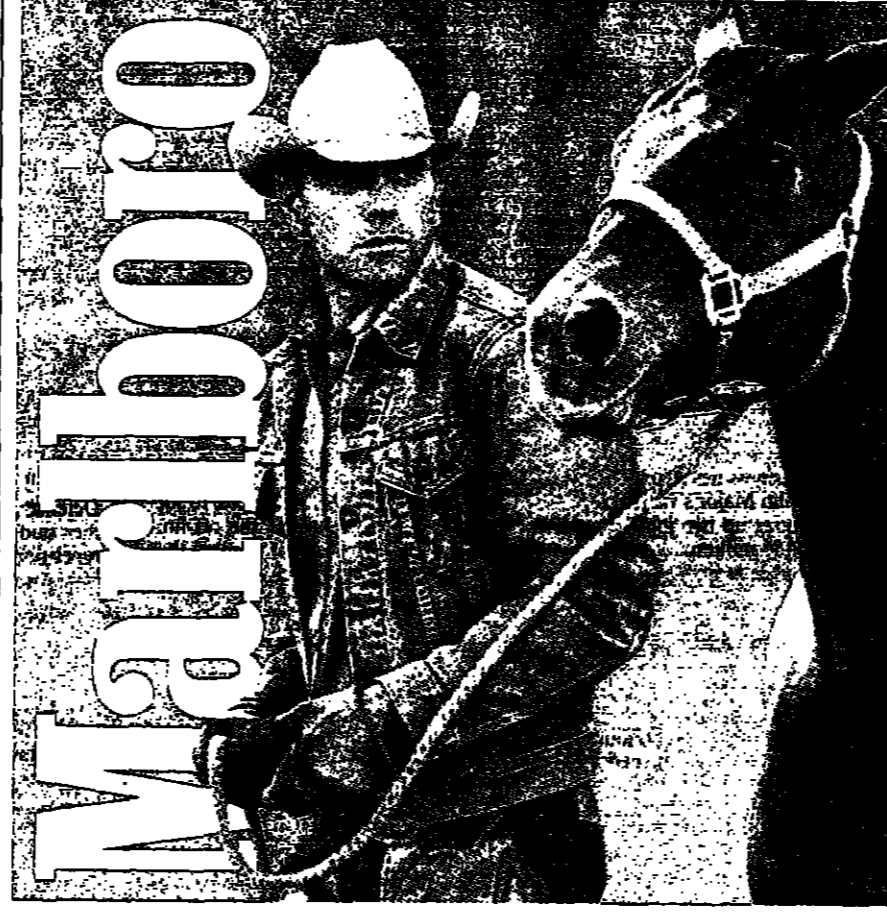
NYSE

Monday's Closing

Tables include the nationwide price up to the closing on New York and do not reflect late trades elsewhere. Via The Associated Press.

Symbol	Price	Symbol	Price
IBM	125.25	MSFT	38.125
GE	24.50	AMZN	18.375
AMT	21.25	GOOG	108.25
DIS	24.375	ORCL	36.125
AT&T	21.125	INTC	29.75
ADD	14.50	HPQ	24.125
AA	12.25	SUNW	20.125
AAE	11.125	QCOM	36.25
AAI	11.00	VERIZ	22.125
AAL	11.00	TXN	15.25
AAP	11.00	TRIP	11.25
AAT	11.00	URI	10.25
AAY	11.00	USA	10.25
AAZ	11.00	USC	10.25
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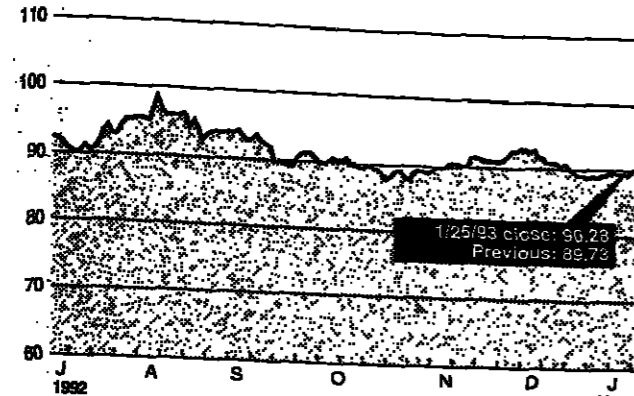
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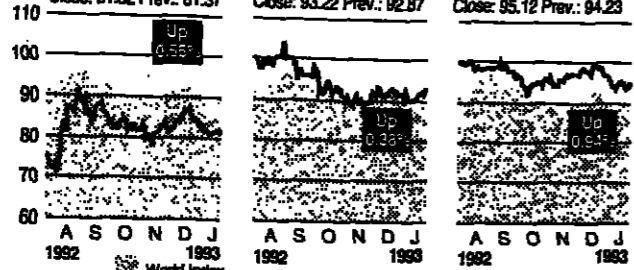


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AmEx Stays In-House for New CEO

NEW YORK — After weeks of public turmoil, American Express Co. on Monday elected Harvey Golub as its new chief executive but said James D. Robinson 3d would remain as chairman of the charge-card and travel giant.

Robinson would remain as chairman of American Express, which he has led for 15 years. Mr. Golub, 53, also will continue as chairman and chief executive of American Express' flagship Travel Related Services unit.

Brighter View On Deficit Lifts Bonds, Stocks

NEW YORK — A mighty surge in the government bond market, triggered by excitement over the Clinton administration's plans to cut the budget deficit, pushed interest rates down on Monday and gave Wall Street stocks a solid lift.

New OPEC Approach Boosts Oil Prices

NEW YORK — Oil prices surged to a four-week high Monday after Saudi Arabia and Iran, OPEC's largest producers, agreed in principle to reduce oil output in the second quarter.

and European refineries has contributed to an 18 percent decline, about \$4 a barrel, in the price of crude oil, traders said.

Business Backs Kohl On Budget

BONN — Chancellor Helmut Kohl won pledges of billions of marks of extra investment in Eastern Germany from business leaders on Monday on condition that he stick to his proposed "solidarity pact" on public-spending cuts and not increase taxes beyond rises included in the pact.

INTERNATIONAL STOCKS Recession-Resistant VEBA Leads German 'Buy' Lists

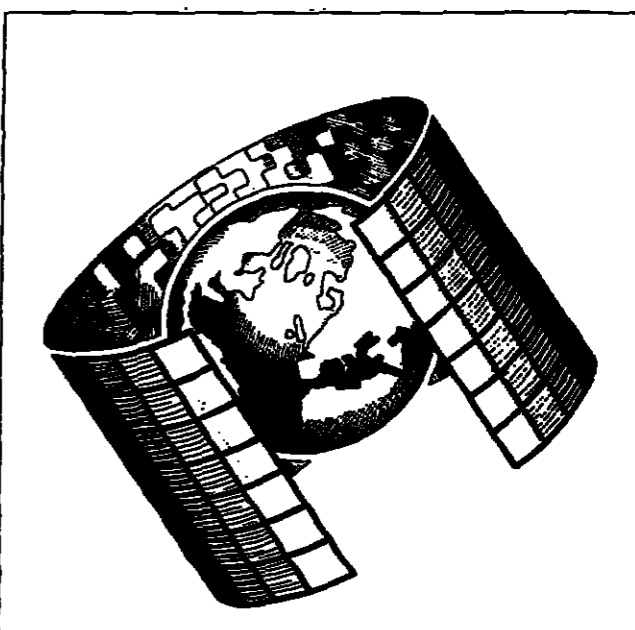
By Nao Nakanishi. BONN — The diversified utility group VEBA AG is one of Germany's top stocks to ride through the recession, despite the lower earnings expected for 1992, analysts say.

Earnings Rise 30% At Merrill

NEW YORK — Merrill Lynch & Co. stock jumped Monday after the biggest U.S. brokerage posted a 30 percent rise in fourth-quarter profit.

British Firms Get India Deals

NEW DELHI — Britain and India, seeking to boost trade and business ties during Prime Minister John Major's visit, agreed Monday to set up two joint ventures worth \$156 million.



HIGH TECHNOLOGY & PROFITABILITY FOR THE 21st CENTURY

South Korea to Cut Interest Rates

SEOUL — Finance Minister Rhee Yong Man of South Korea said Monday that the central bank's discount rate would be cut to 5 percent from 7 percent, and its discount rate for trade notes to 6 percent from 7 percent, effective Tuesday.

CURRENCY & INTEREST RATES

Large table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates. Includes various financial data points.

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Two Major New Conferences. London March 25-26 Hong Kong May 17-18. Mark your calendar and plan to join the International Herald Tribune and the International Chamber of Commerce as they convene two major conferences on the theme "High Technology & Profitability for the 21st Century."

MARKET DIARY

New Rate Outlook Punishes the Dollar

Compiled by Our Staff From Dispatches NEW YORK — The dollar continued to tumble Monday, undermined by shifting expectations for U.S. and German interest rates. The dollar was quoted at 1.5770 DM at the end of trading, down from 1.5900 on Friday. It had traded as low as 1.5695 in Europe earlier before recovering slightly. The U.S. currency also slumped to 123.45 yen from 125.11 Friday. Treasury Secretary Lloyd Bentsen's comments over the weekend that President Bill Clinton was considering tax cuts to pay the budget deficit touched off a rally in the U.S. bond market, driving down interest rates and undercutting the dollar, said Paul Farrell, chief dealer at Chase Manhattan. The talk has gone from stimulus and tax cuts to no stimulus and tax increases, Mr. Farrell said. News from Germany didn't give the dollar any relief either. A German rate cut seemed further off Monday following a preliminary report that the M-3 money supply rose at an annual rate of 8.8 percent in December, well above the Bundesbank's 1992 target of 3.5 to 5.5 percent. Meanwhile, figures showed the cost of living in the state of North Rhine-Westphalia rose 1 percent in January and was up 4.2 percent from a year earlier. "It looks like 1.55 marks is the dollar's probable destination," said Angus Armstrong, economist at Morgan Grenfell in London. The dollar's slide against the Japanese yen was even more significant in percentage terms. Many large U.S. investment banks and money managers bought dollars and sold yen Friday, betting that the Bank of Japan would slash its discount rate Monday, said Bryan O'Rourke, trader at Summit Trust & Banking. When a rate cut did not materialize, those buyers dumped their dollars, he said. The dollar also fell to 1.4465 Swiss francs from 1.4585, and to 5.3325 French francs from 5.3785. The pound rose to \$1.5575 from \$1.5132. (Bloomberg, Reuters, UPI)

STOCKS: Brighter Deficit View

(Continued from first finance page) Advanced Investment Management, said the bond market was right about Mr. Clinton, but for the wrong reason. "By year-end, we might have lower rates again, but not because of the deficit," Mr. Allen said. "We'll have a weaker economy because taxes will be increased." Others hold fast to the skeptical view about lower bond rates. "Talk is cheap," said Glen Insley, director of fixed-income management at One Federal Asset Management. "Trial balloons are easy. He hasn't had to deal yet with Messrs. Mitchell and Foley." The Senate majority leader, George Mitchell, and the House speaker, Thomas Foley, cannot be expected to go along with Mr. Clinton's higher energy taxes without a protest, Mr. Insley said.

On the stock market, oil issues were also boosted from stronger-than-expected earnings released by companies including Amoco, Exxon, Texaco and Mobil. Exxon said fourth-quarter earnings rose to \$1.4 billion, or \$1.12 a share. Exxon rose 2 1/2 to 60 1/2. Mobil rose 2 1/2 to 62 1/2. Atlantic Richfield rose 5 1/2 to 115; Texaco rose 1 1/2 to 59 1/2; Royal Dutch Petroleum rose 1 1/2 to 81 1/2; Amoco rose 3 to 51 1/2; Chevron rose 2 1/2 to 60, and British Petroleum rose 1 1/2 to 44 1/2. Standard & Poor's international oil index surged 3.8 percent, or 12.90, to 352.50. The index is still down 3 percent since Oct. 27. Among other stocks, Wall-Mart rose 1 1/2 to 64 1/2 on expectations the company will gain from Sears's decision to leave certain businesses. Fingerhut Cos., a catalog retailer, rose 4 1/2 to 37 1/2 on Sears's announcement.

NYSE Most Active

Table with columns: Vol., High, Low, Last, Chg. Lists various stocks like IBM, Microsoft, and their price changes.

NYSE Diary

Table with columns: Adv. Declined, Unchanged, Total Issues, New Highs, New Lows. Lists stock market activity.

Amex Diary

Table with columns: Adv. Declined, Unchanged, Total Issues, New Highs, New Lows. Lists Amex stock market activity.

NASDAQ Diary

Table with columns: Adv. Declined, Unchanged, Total Issues, New Highs, New Lows. Lists NASDAQ stock market activity.



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Table with columns: Vol., High, Low, Last, Chg. Lists various stocks like IBM, Microsoft, and their price changes.

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NASDAQ Diary

Table with columns: Adv. Declined, Unchanged, Total Issues, New Highs, New Lows. Lists NASDAQ stock market activity.

Dow Jones Averages table with columns: Open, High, Low, Last, Chg. Lists various market indices.

Standard & Poor's Indexes table with columns: High, Low, Close, Chg. Lists various market indices.

NYSE Indexes table with columns: High, Low, Close, Chg. Lists various market indices.

NASDAQ Indexes table with columns: High, Low, Close, Chg. Lists various market indices.

AMEX Stock Index table with columns: High, Low, Close, Chg. Lists various market indices.

Dow Jones Bond Averages table with columns: Close, Chg. Lists various market indices.

Market Sales table with columns: NYSE 4 AM volume, NYSE 8 AM volume, etc. Lists trading volumes.

N.Y.S.E. Odd-Lot Trading table with columns: Buy, Sell, Short. Lists odd-lot trading data.

S&P 100 Index Options table with columns: Strike, Call, Put, etc. Lists options data.

EUROPEAN FUTURES table with columns: Close, High, Low, Prev. Close, High, Low, Close, Change. Lists various futures contracts.

Food table with columns: U.S. Dollars per metric ton, etc. Lists food futures prices.

COCOA (FOX) table with columns: U.S. Dollars per metric ton, etc. Lists cocoa futures prices.

Metals table with columns: U.S. Dollars per metric ton, etc. Lists metal futures prices.

Stock Indexes table with columns: FTSE 100 Index, etc. Lists stock index futures prices.

Dividends table with columns: Company, Per Amt, Pay Rec. Lists dividend information.

Financial table with columns: 3-MONTH STERLING (LIFFE), etc. Lists financial futures prices.

3-MONTH EURO (LIFFE) table with columns: \$1 million - pts of 100 pct, etc. Lists 3-month Euro futures prices.

3-MONTH EURO (LIFFE) table with columns: \$1 million - pts of 100 pct, etc. Lists 3-month Euro futures prices.

U.S. FUTURES table with columns: Season, High, Low, Open, High, Low, Close, Chg. Lists U.S. futures prices.

Grains table with columns: WHEAT (CBT), etc. Lists grain futures prices.

Metals table with columns: NY GRADE COPPER (COMEX), etc. Lists metal futures prices.

SOYBEANS (CBT) table with columns: 5000 bu minimum - dollars per bushel, etc. Lists soybean futures prices.

SOYBEAN MEAL (CBT) table with columns: 5000 bu minimum - dollars per bushel, etc. Lists soybean meal futures prices.

Livestock table with columns: CATTLE (CME), etc. Lists livestock futures prices.

Financial table with columns: U.S. T. BILLS (IMM), etc. Lists financial futures prices.

HOOGS (CME) table with columns: 40,000 lbs - cents per lb, etc. Lists hog futures prices.

POUR BELLIES (CME) table with columns: 40,000 lbs - cents per lb, etc. Lists pig futures prices.

COFFEE (NYMEX) table with columns: 37,000 lbs - cents per lb, etc. Lists coffee futures prices.

SUGARWORLD 11 (NYMEX) table with columns: 112,000 lbs - cents per lb, etc. Lists sugar futures prices.

COCOA (NYMEX) table with columns: 1000 lbs - cents per lb, etc. Lists cocoa futures prices.

Chen Computer Unit Closes Down

EAU CLAIRE, Wisconsin (AP) — Supercomputer Systems Inc., hit by a cutoff of its funding from IBM, has closed its operations, costing 300 workers their jobs, its founder said Monday. The company, started in 1987 by Steven S. Chen when he left Cray Research Corp., has been working to develop the world's most powerful supercomputer, but has been working by more than \$100 million from International Business Machines Corp., according to industry estimates. IBM said Friday it had stopped providing the company with financial support for SSI and because of our responsibility and concern for our employees and their families, we were left with no alternative but to terminate our project at this point," Mr. Chen said.

Exxon Jumps as Earnings Rise 25%

IRVING, Texas (Bloomberg) — Leading several major oil companies in announcing higher fourth-quarter profits, Exxon Corp. said Monday its earnings rose 25 percent because of lower expenses, higher U.S. natural gas prices and higher sales of oil products and chemicals. The largest U.S. oil company said net income rose to \$1.4 billion, or \$1.12 a share, from \$1.12 billion, or 89 cents, a year earlier. Revenue fell to \$30.2 billion from \$31 billion. Results exceeded expectations of 98 cents a share, according to Zacks Investment Research. Exxon shares rose \$2.50 to \$60.625. Amoco Corp. cited higher gas prices and production and lower expenses for its rise in net income to \$548 million, or \$1.10 a share, versus profit from operations of \$200 million, or 40 cents a share, a year ago. Chevron Corp. said income from operations in the quarter increased to \$542 million, or \$1.64 a share, from \$283 million, or 81 cents, a year earlier. Revenue climbed to \$11.4 billion from \$10.4 billion. Results exceeded expectations of \$1.25 a share, and Chevron rose \$2.25 to \$70.

Bankers Trust Net Roe 24%

NEW YORK (AP) — Bankers Trust New York Corp. said Monday its fourth-quarter earnings rose 24 percent, the latest in a series of large banks to report improving profits. Earnings were \$170 million, or \$1.97 a share, compared with \$137 million, or \$1.57 a share, a year earlier. The figure was below expectations of \$2.00 a share, and the bank's shares fell \$1.125 to \$66.625. Trading revenue fell 51 percent to \$101 million in the quarter, chiefly due to drops in fixed income and Third World debt.

For the Record

Nyxer Corp. said it would repurchase as many as 8 million of its 207 million common shares over a period of as long as 10 years as part of employee stock-option plans adopted last year, and will buy another 2.6 million shares this year as part of an employee savings plan. (Bloomberg) Pfizer Inc., vowing to grow through higher volumes rather than prices, forecast that price increases on its U.S. pharmaceutical products will average less than 3 percent for 1993. (AFX) Rockwell International Corp. said it had agreed to pay \$225 million for Sundstrand Corp.'s Data Control Division, which makes flight-control systems and instruments. (AP)

Table titled 'Weekend Box Office' listing movie titles, theaters, and box office receipts.

Chicago Board of Trade to Take Over Comex

NEW YORK — In the face of strong competition from overseas and from Wall Street, the Chicago Board of Trade has agreed to take over New York's Commodity Exchange, exchange officials said Monday. The CBOT's board approved the proposal late Friday and the Comex board cleared it on Saturday. The merger agreement must still be approved by the exchanges' members and the Commodity Futures Trading Commission. Under the agreement, the CBOT, the world's largest futures exchange, would become the sole equity owner, the CBOT chairman, Patrick Arbor, said at a news conference. The Comex, the fourth-largest futures exchange in the world and the leading metals market, will continue to operate separately. Exchange officials refused to disclose the cost of the takeover to the CBOT. But Mr. Arbor said the price would be paid out of future earnings of the Comex. U.S. futures exchanges have lost market share in the last several years, pressured by competition by such overseas exchanges as the London International Financial Futures Exchange and the MATIF in Paris, and Wall Street's over-the-counter derivatives market. Joining CBOT and Comex will allow them to compete more effectively, Mr. Arbor said. The two exchanges will combine their clearing and portions of their administrative and operational activities. (Bloomberg, Reuters)

WORLD STOCK MARKETS

Table with columns: Close, Prev. Lists stock market data for various international locations like Amsterdam, Brussels, Frankfurt, etc.

Table with columns: Close, Prev. Lists stock market data for various international locations like London, Sydney, Tokyo, etc.

U.S. FUTURES

Table with columns: Season, High, Low, Open, High, Low, Close, Chg. Lists U.S. futures prices for various commodities.

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Boycott Of Cathay Threatened

HONG KONG — A coalition of supporters of striking Cathay Pacific flight attendants said Monday that it would launch an international campaign to boycott the airline unless Cathay dropped its threat to dismiss strikers.

The coalition includes the Hong Kong Confederation of Trade Unions and political, religious and feminist organizations. Talks between Cathay's management and the Flight Attendants Union, mediated by the government's Labor Department, continued Monday but the temperature of the 12-day-old dispute rose.

Cathay Pacific announced late Sunday that cabin crews failed to report for duty by midnight on Wednesday would be forced to re-assign them to other flights. The airline said it operated 71 of its 81 scheduled flights normally on Monday.

New Qantas Chairman

Gary Pemberton, managing director of Brambles Industries Ltd., will become chairman of Qantas Ltd. on completion of the sale of a 25 percent stake in the airline to British Airways PLC, Transport and Communications Minister Bob Collins said Monday.

AFP-Extel News quoted him as saying Mr. Pemberton, a former director of the state-owned domestic carrier Australian Airlines, would succeed the current chairman, Bill Dix, at the head of a new board.

Russia Buys Australian Food Singapore's Trading Arm Will Serve as Intermediary

PERTH, Australia — The way has been cleared for major trading in food between Western Australia and Russia through the trading arm of the Singapore government, the Western Australian agriculture minister, Ernie Bridge, said Monday.

He said that the major obstacle, Russia's lack of hard currency, had been overcome by the involvement of Intraco, the Singapore unit, which will buy and sell Russian produce, realizing the hard currency that Russia will need to pay for products from Western Australia.

Intraco would also buy meat, dairy goods, seafood, wool, fruit, grain and other produce from Western Australia to supply to the city of Vladivostok and the surrounding Primorsky Territory. The Australian imports are expected to be available in Vladivostok beginning in March.

Five Russian trade officials, including Igor Tchernianski, the first vice-governor of the Pri-

morsky Territory, have recently visited Perth to examine some of the goods available under the agreement. Mr. Tchernianski said it was hoped the agreement would extend beyond basic foods to such goods as telecommunications equipment.

In Sydney, Prime Minister Paul Keating was quoted Monday in the Australian Financial Review as saying that he backed the idea of free trade between Australia and Japan and believed the two countries could form a core partnership in efforts to liberalize trade in the region. He said that Japan was a natural partner for Australia and a bilateral free trade deal would be worth considering.

In Tokyo, a Foreign Ministry official said a bilateral free trade pact was not under formal consideration. "Both sides have agreed that we should discuss trade problems bilaterally and there are various ideas about what to do, but there is no concrete plan," the official commented.

(AFP, Reuters)

Miyazawa Resists Tax Cut Pressure

TOKYO — Japan's government came under pressure Monday to pump life into withered personal consumption by introducing drastic income-tax cuts. But Prime Minister Kiichi Miyazawa, who must try and resuscitate the economy even as revenues falter, signaled he was not about to give way on taxes.

"It is just natural for the government to conduct a deep cut in income tax when real spending is slumping," Sadao Yamahana, chairman of the opposition Social Democratic Party, said in parliament.

"We believe an income-tax cut worth 2 trillion yen is feasible without issuing deficit-covering bonds," Mr. Yamahana said, speaking of an amount equivalent to about \$16 billion. Koshiro Ishida, chairman of another opposition group, Koemitsu, said in the parliamentary session that Japan must lower income taxes by some 4 trillion to 5 trillion yen and issue deficit-financing bonds.

Opposition party leaders and business leaders have blamed weak personal spending for blocking a recovery in the nation's economy. The government, especially the Finance Ministry, has refused to commit to reducing income tax, saying Japan was facing falling tax revenues and growing government debt.

Also Monday, the Bank of Japan governor, Yasuhiro Mieno, said government efforts to foster growth would soon spark a recovery, and he made no mention of a widely expected cut in Japan's official discount rate. The Nihon Keizai newspaper reported Saturday that the central bank would cut the rate by between 0.5 and 0.75 of a percentage point by the end of February.

Mr. Miyazawa continued on Monday to take a defensive stance against the calls for tax credits. He said the government would first seek early passage of its 1993-94 budget, which allocates hefty funds for public-works spending.

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Investor's Asia

Table with columns: Exchange, Index, Monday Close, Prev. Close, % Change. Rows include Hong Kong, Singapore, Tokyo, Kuala Lumpur, Bangkok, Seoul, Taipei, Manila, Jakarta, New Zealand, Bombay.

Very briefly:

- CRA Ltd. of Australia said mining operations in Indonesia showed significant increases in production of gold and coal last year.
• Comalco Ltd. of Australia said it produced 383,630 tons of primary grade aluminum in 1992, down 2 percent from a year earlier.
• Pioneer Electronic Corp.'s marketing subsidiary in Belgium has bought a 66 percent stake in Mesique Diffusion Francaise SA, Pioneer's distributor in France since 1975.
• Merrill Lynch Japan Inc. will close branches in Kyoto, Kobe and Yokohama and consolidate their business in Tokyo, Osaka and Nagoya.
• Nikko Securities Co. will cut executive salaries by 5 to 10 percent to cope with depressed stock-market trading.
• The Japan Automobile Manufacturers Association said Japan's output of cars, trucks and buses in 1992 declined 5.6 percent from a year earlier, to 12.5 million vehicles.
• Toyota Motor Corp. said it had received approval from the Taiwan government to build a second assembly plant there.
• Mitsubishi Motors Corp. expects its 1993 domestic sales to rise 2 percent to 760,000 vehicles and its exports to rise 3 percent to 670,000 vehicles.

China Welcomes Transport Investment

BEIJING — China will allow joint ventures and foreign investment in construction and operation of roads, waterways and ports, the People's Daily reported Monday.

The decision was announced at a Ministry of Communications conference, the official newspaper said. The ministry oversees China's over-extended road and sea transport network.

Hong Kong's Hopewell Holdings has already entered a joint venture and financed construction of three road projects in the Southern province of Guangdong.

South Korea's Pohang Iron & Steel announced in December that it was negotiating joint construction of an \$8 billion highway from Hong Kong to Beijing. Hong Kong's Hutchison Whampoa in August agreed in principle to jointly invest \$1.1 billion to renovate and manage a container port in Shanghai.

The newspaper said Chinese-foreign management of berths, including packaging, stor-

age, loading and "related transport fields," would be encouraged. While China's economy grew at 12 percent last year, total freight traffic grew by just 3.4 percent. Rail freight traffic grew 3 percent.

Separately, Hong Kong China News Service reported that the authorities in Shanghai had adopted relaxed regulations to allow more people to engage in private business.

(Bloomberg, Reuters, AFP)

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Separately, Hong Kong China News Service reported that the authorities in Shanghai had adopted relaxed regulations to allow more people to engage in private business.

(Bloomberg, Reuters, AFP)

Campbell Rejects Arnotts' Buyback Talk as Battle Heats Up

SYDNEY — Arnotts Ltd. said Monday it may consider buying back 150 million Australian dollars (\$101 million) of its shares if holders reject the takeover offer by Campbell Soup Co., but Campbell branded the announcement a "panic" measure and said it would block any buyback.

Both sides stepped up the rhetoric ahead of Thursday, when Campbell's 1.32 billion dollar offer expires. Campbell, which wants to use Arnotts to move into

Asian food markets, said every major broker in Australia was recommending that shareholders accept its offer of 9.50 dollars a share. It also ruled out any increase in its offer, which it had raised earlier from 8.80 dollars.

Arnotts, which has said Campbell must offer 11 dollars a share to win, predicted that support for management from major institutions, Arnotts family members and small shareholders would prevent Campbell from obtaining 50.1 percent. Chairman Bill Purdy said the Australian

Mutual Provident Society, which holds about 8.46 percent of the stock, was "extremely supportive of Arnotts."

Campbell's president, David Johnson, said the company could and would block any buyback attempt by virtue of its existing 33 percent stake.

Campbell said it had received acceptances of its offer from a further 1.3 percent of Arnotts holders and expected acceptances to snowball in the next two days. The shares slipped 2 cents to 9.50 Monday. (Bloomberg, Reuters)

INTERNATIONAL FUNDS

Large table listing various international funds with columns for fund name, currency, and other details. Includes sections for Broadgate International Fund, EEC Traded Currency Fund Ltd, and various global equity and bond funds.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

SPORTS AUSTRALIAN OPEN

Capriati, Seles, Fernandez and Halard Prevail

MELBOURNE — Jennifer Capriati and Mary Joe Fernandez are not lacking for common ground. Both Floridians, both members of the world's top 10, they share the benefits and burdens of all who achieve tennis excellence at an early age.



Stefan Edberg massaging his aching back: "I was stiff as a board two days ago."

Edberg Advances to Quarterfinals Bergstrom, Sampras, Korda and Forget Also Triumph

By Christopher Clarey International Herald Tribune MELBOURNE — The crowd of usual suspects descended Monday on Flinders Park: hordes of rowdy, young adults, their fresh tans patriotically obscured by blue and gold sunscreen, with an irrepresible need to communicate.

of his third-round victory over Amos Mansdorf of Israel. "I was stiff as a board two days ago," said Edberg, who had to default in mid-tournament here with injuries in 1989 and 1990.

This January in Australia, they have even shared a common opponent: their health. Fernandez was the first to suffer, contracting a stomach virus during the Hopman Cup in Perth and missing more than a week of practice before the Australian Open. Capriati fell ill with a similar virus after her first-round match here last week.

But despite the discomfort and several brushes with defeat, they have endured. And Monday at Flinders Park, each advanced to the quarterfinals for the second straight year.

U.S. Wrestler Approved For Top Sumo Promotion

TOKYO — Despite the reluctance of some Japanese to see a foreign wrestler finally reach the pinnacle of their ancient sport, the Sumo Association's promotion committee decided Monday that Akebono, the towering American, had earned the rank of yokozuna, or grand champion.

INTERNATIONAL CLASSIFIED

Advertisement for International Classified, featuring sections for Education Directory, Personal, Business Opportunities, Real Estate, and Employment. Includes contact information for various services and agencies.

Australian Open Results

Table of tennis results for the Australian Open, including men's singles, women's singles, and doubles matches with scores and winners.

SIDELINES

NEW YORK (NYT) — Negotiations between the New York Giants and Dan Reeves, who was dismissed as the Denver Broncos' coach Dec. 28, are still not completed but there appear to be no hangups to Reeves becoming the NFL team's new coach.

SCOREBOARD

Scoreboard section containing major college scores, NBA standings, and hockey results.

For the Record

Vitali Sberbo of Belarus, winner of six Olympic gold medals in gymnastics in Barcelona, was chosen the recipient of the 1993 Jesse Owens International Trophy Award, beating out two U.S. track and field gold medalists.

TRANSACTIONS

Large advertisement for real estate and travel services, including listings for various properties, travel agencies, and international classifieds.

ART BUCHWALD

11:30, the Inside Story

WASHINGTON — You probably read in the newspapers that I turned down the 11:30 P.M. slot on NBC, CBS, CNN and C-Span.



Buchwald

Some of the stories of why I did it do not even deserve comment. This is the first time I've broken my silence about what transpired. I happen to be a good friend of both David Letterman and Jay Leno and would do nothing to harm either of them.

I like David Letterman very much, even if he refused to fight for his country in Grenada and Panama. So my battle was never with Leno or Letterman — and it certainly had nothing to do with money.

Disneyland: Add Toontown

ANAHEIM, California — The folks at Disneyland won't be upset if their biggest new attraction in 20 years turns out to be a big pie in the face when it opens Tuesday: It's gag city.

cause, although both sides claimed that they wanted me badly, neither one would tell me how much they'd spend on a hangar to house my vintage airplane collection.

By this time Jay Leno was getting wind that NBC was not supporting him in his efforts to hold down the 11:30 spot. His first inkling that all was not well was when they kept towing away his car every night while he was doing the show.

When NBC and CBS heard about this they decided to merge their late-night programming. To accommodate me they moved Bryant Gumbel to Saturday morning, and they put Little League baseball and Mike Wallace in place of "Murphy Brown."

My agent, Michael Ovitz, studied the package and told me that it was as good as he could get considering that I had only been a guest on late-night talk shows three times.

David Hockney's Light-Splattered World

By Trip Gabriel

MALIBU, California — Had David Hockney painted a century earlier, he might have moved from dreary northern England to sun-blasted Provence, but instead it was Los Angeles that he famously migrated to in 1964.



David Hockney: "The pleasure of the eyes is very great to me."

"I was brought up in Gothic gloom," he said of his youth in the industrial city of Bradford. "All the buildings are absolutely black, and it rains practically every other day. I'm a bit like van Gogh. He's a northerner who went to the sun. He thought there was more joy in the sun, and I tend to think that as well."

Another factor limiting Hockney's socializing: He is losing his hearing and hates restaurants and other crowded scenes. The mismatched socks he used to wear have given way to mismatched hearing aids, one blue and one red.

Come, said Hockney. We shall go for a drive. Then you may understand. He led the way up a green staircase to his street-level garage and backed out his candy-apple-red Mercedes 380SL.

Asked point-blank whether a decade of AIDS had darkened his work, Hockney answered elliptically, by telling the story of his visit to the Matisse retrospective that ended last Tuesday at the Museum of Modern Art in New York.

PEOPLE

Spider-Man and Co. Cast Web on Japan

"Greetings and Konnichiwa," Spider-Man said as Japanese executives cracked smiles and gingerly picked the paper strands of his trademark spiderweb netting from their suits.

There were some surprises at the Golden Globe awards in Los Angeles. "Scent of a Woman" walked off with three awards — All Time for best actor, best motion picture and best actor.

Prince Charles has turned down an invitation to officially complain about press coverage of his reported affair with a married woman, Camilla Parker Bowles.

Jean Harris, free after 12 years in prison, plans to work on behalf of children and may write another book. Harris was convicted in the 1981 love-triangle murder of the "Scarface" doctor, Herman Tarnower.

Sections of White House tapes made during John F. Kennedy's presidency were erased in a situation "just as scandalous" as the gaps in the Watergate tapes, according to Nigel Hamilton, author of "JFK: Restless Youth."

INTERNATIONAL CLASSIFIED Appears on Pages 11 & 19

WEATHER

Weather forecast for Wednesday through Friday. Includes maps for Europe, North America, Asia, and Oceania, along with temperature and precipitation data for various cities.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle from Jan. 25.

BOOKS

THE SAME RIVER TWICE: A Memoir By Chris Offutt. 188 pages. \$18. Simon & Schuster. Reviewed by Christopher Lehmann-Haupt

By Robert Byrne. When this does not speed White's development. White's method with 7 d.c. is bluntly to make use of his slight lead in mobilization.

CHESS

Chess analysis for the Queen's Gambit Accepted. Includes a diagram of the board position after 28...Qf6 and a list of moves.

Advertisement for AT&T USA Direct Service. Features a large image of a clock and text: "Now good news can travel even faster." Includes a list of international access numbers for various countries.

سكرا من الامل